E/1990/SR.16-38

ECONOMIC AND SOCIAL COUNCIL

OFFICIAL RECORDS, 1990

PLENARY MEETINGS

VOLUME II

Summary records of the meetings
held during the second regular session of 1990

UNITED NATIONS

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New York, 1992

NOTE

The *Official Records of the Economic and Social Council, 1990*, consist of the summary records of *Plenary Meetings* (volumes I and II), incorporating corrections requested by delegations and any necessary editorial modifications, the *Supplements* (Nos. 1-15) and the *Lists of Delegations*.

The present volume contains the summary records of the plenary meetings held by the Council during the second regular session of 1990 (Geneva, 4-27 July, and New York, 9 November 1990).

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Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

E/1990/SR.16-38

CONTENTS

Page

Abbreviations viii

Explanatory notes ix

Agenda of the second regular session, 1990 x

Check-list of documents xi

SECOND REGULAR SESSION, 1990

Summary records of the 16th to 37th plenary meetings

16th meeting

Wednesday, 4 July 1990, at 10.50 a.m.

OPENING OF THE SESSION 1

EXPRESSION OF SYMPATHY IN CONNECTION WITH THE RECENT EARTHQUAKE IN THE ISLAMIC REPUBLIC OF IRAN 1

STATEMENT BY THE PRESIDENT 2

STATEMENT BY THE SECRETARY-GENERAL 3

ITEM 1 OF THE PROVISIONAL AGENDA:

Adoption of the agenda and other organizational matters 5

17th meeting

Wednesday, 4 July 1990, at 3.05 p.m.

AGENDA ITEM 2:

General discussion of international economic and social policy, including regional and sectoral developments

Speakers:

- Mr. Ahmed (Under-Secretary-General for International Economic and Social Affairs) 6
- Mr. Traxler (Italy) 8
- Mr. Navajas Mogro (Observer for Bolivia) 10
- Mr. Djoudi (Algeria) 11
- Mr. Draper (UNDP) 11
- Mr. Bräutigam (Federal Republic of Germany) 13
- Mr. Hatano (Japan) 14
- Mr. Grant (UNICEF) 16
- Mr. Domke (German Democratic Republic) 18

18th meeting

Thursday, 5 July 1990, at 10.10 a.m.

Page

AGENDA ITEM 1:

Adoption of the agenda and other organizational matters (*continued*) 19

AGENDA ITEM 2:

General discussion of international economic and social policy, including regional and sectoral developments (*continued*)

Speakers:

- Mr. Loos (World Bank) 20
- Mr. Levitte (France) 21
- Mr. Obminsky (Union of Soviet Socialist Republics) 22
- Mr. Duna (Observer for Turkey) 23
- Sir Crispin Tickell (United Kingdom) 24
- Mr. Deesrisuk (Thailand) 25
- Mr. Pejic (Yugoslavia) 26
- Mr. Ryder (ICFTU) 27
- Mr. Camara (FAO) 28

19th meeting

Thursday, 5 July 1990, at 3.05 p.m.

AGENDA ITEM 2:

General discussion of international economic and social policy, including regional and sectoral developments (*continued*)

Speakers:

- Mr. Trant (WFC) 29
- Mr. Aguilar (Venezuela) 30
- Mr. Moultrie (Bahamas) 31
- Mr. Kralik (Czechoslovakia) 32
- Mr. Vu Xuan Truong (Observer for Viet Nam) 32
- Mr. Amoo-Gottfried (Ghana) 33
- Mr. Ghezal (Tunisia) 34
- Mr. Stiglich Berninzon (Observer for Peru) 36

20th meeting

Friday, 6 July 1990, at 10.10 a.m.

AGENDA ITEM 2:

General discussion of international economic and social policy, including regional and sectoral developments (*continued*)

Page

Speakers:

Mr. Oudovenko (Ukrainian Soviet Socialist Republic) ... 37
Mr. Boddens Hosang (Netherlands) ... 38
Mr. Eliasson (Sweden) ... 39
Mrs. Puri (India) ... 40
Mr. Fan Guoxiang (China) ... 41
Mr. Ouali (Burkina Faso) ... 42
Miss Willberg (New Zealand) ... 43
Mr. Adedejí (ECA) ... 44
Mr. O'Neil (IMO) ... 45

21st meeting

Friday, 6 July 1990, at 3.15 p.m.

AGENDA ITEM 2:

General discussion of international economic and social policy, including regional and sectoral developments (*continued*)

Speakers:

Ms. Sadik (UNFPA) ... 47
Mr. Peshkov (Observer for the Byelorussian Soviet Socialist Republic) ... 48
Mr. Dadzie (UNCTAD) ... 49
Mr. Loeis (Indonesia) ... 50
Mr. Costa Lobo (Portugal) ... 52
Mr. Santos (Ecuador) ... 52
Mr. Woroniecki (Observer for Poland) ... 53
Mr. Grozdanov (Bulgaria) ... 54
Mr. Perez Novoa (Cuba) ... 55
Mr. Kraus (ICC) ... 56

22nd meeting

Monday, 9 July 1990, at 10.15 a.m.

AGENDA ITEM 2:

General discussion of international economic and social policy, including regional and sectoral developments (*continued*)

Speakers:

Dr. Nakajima (WHO) ... 57
Mr. Hinteregger (ECE) ... 59
Mr. Kibria (ESCAP) ... 60
Mr. Rosenthal (ECLAC) ... 62
Mr. Jaber (ESCWA) ... 63

23rd meeting

Monday, 9 July 1990, at 3.10 p.m.

AGENDA ITEM 2:

General discussion of international economic and social policy, including regional and sectoral developments (*continued*)

Speakers:

Mr. Mehdi (UNIDO) ... 64
Mr. Walker (Jamaica) ... 66

Page

Mr. Mulindahabi (Rwanda) ... 67
Mr. Nogueira-Batista (Brazil) ... 68
Mr. Tomic (Observer for Chile) ... 69
Mr. Benhima (Observer for Morocco) ... 70
Mr. Klioukine (Inter-Parliamentary Union) ... 71
Mr. Park (Observer for the Republic of Korea) ... 72
Mr. Shannon (Canada) ... 73

24th meeting

Tuesday, 10 July 1990, at 10.10 a.m.

AGENDA ITEM 2:

General discussion of international economic and social policy, including regional and sectoral developments (*continued*)

Speakers:

Mr. Xie Qimei (Under-Secretary-General for Technical Co-operation for Development) 75
Mr. Chabala (Zambia) ... 76
Mr. Moore (United States of America) ... 77
Mr. Montaño (Mexico) ... 78
Mr. Rivas (Colombia) ... 79
Mr. Musa (Observer for Malaysia) ... 80
Mr. Younis (Iraq) ... 81
Mr. Piracha (Pakistan) ... 81
Mr. Okeyo (Kenya) ... 82
Mr. El Ghaouth (Observer for Mauritania) ... 83
Mr. Sene (Observer for Senegal) ... 84

25th meeting

Tuesday, 10 July 1990, at 3.05 p.m.

AGENDA ITEM 2:

General discussion of international economic and social policy, including regional and sectoral developments (*continued*)

Speakers:

Mr. Maier (International Labour Office) ... 85
Mr. Hawes (Observer for Australia) ... 86
Mr. Owoeye (Observer for Nigeria) ... 87
Mr. Rasaputram (Observer for Sri Lanka) ... 88
Mr. Jazairy (IFAD) ... 89
Mr. Mahiga (Observer for the United Republic of Tanzania) ... 90
Mrs. Firdaus (Observer for Bangladesh) ... 90
Mr. Permanand (Trinidad and Tobago) ... 91
Mr. Villarroel (Observer for the Philippines). 92
Mr. Peyrovi (Islamic Republic of Iran) ... 93
Mr. Omar (Observer for Egypt) ... 93
Mr. Vratusa (International Centre for Public Enterprises in Developing Countries) ... 94
Ms. Fauchère-Pittet (World Confederation of Labour) ... 95

STATEMENT BY THE PRESIDENT OF THE COUNCIL ... 97

Page

26th meeting

Wednesday, 11 July 1990, at 10.15 a.m.

AGENDA ITEM 2:
General discussion of international economic and social policy, including regional and sectoral developments (*continued*)
Speaker:
Mr. Camdessus (IMF) 98
AGENDA ITEM 7:
Development and international economic co-operation:
(*h*) Implementation of the Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries 99

27th meeting

Wednesday, 11 July 1990, at 3.10 p.m.

AGENDA ITEM 1:
Adoption of the agenda and other organizational matters (*continued*)
Convening of an international meeting on population in 1994 108
AGENDA ITEM 7:
Development and international economic co-operation (*continued*):
(*a*) Trade and development 109

28th meeting

Friday, 13 July 1990, at 10.10 a.m.

AGENDA ITEM 5:
International co-operation in the elimination of the consequences of the accident at the Chernobyl nuclear power plant 122
AGENDA ITEM 2:
General discussion of international economic and social policy, including regional and sectoral developments (*continued*) 130

29th meeting

Monday, 16 July 1990, at 10.15 a.m.

AGENDA ITEM 3:
Revitalization of the Economic and Social Council 130

30th meeting

Monday, 16 July 1990, at 3.15 p.m.

AGENDA ITEM 2:
General discussion of international economic and social policy, including regional and sectoral developments (*continued*) 141
Page
AGENDA ITEM 7:
Development and international economic co-operation (*continued*)
(*h*) Implementation of the Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries (*continued*) 141
AGENDA ITEM 4:
Permanent sovereignty over national resources in the occupied Palestinian and other Arab territories 141

31st meeting

Tuesday, 17 July 1990, at 10.15 a.m.

AGENDA ITEM 15:
Report of the United Nations High Commissioner for Refugees 147
AGENDA ITEM 1:
Adoption of the agenda and other organizational matters (*continued*)
Capital punishment 147

32nd meeting

Wednesday, 18 July 1990, at 10.20 a.m.

AGENDA ITEM 2:
General discussion of international economic and social policy, including regional and sectoral developments (*continued*) 148
AGENDA ITEM 4:
Permanent sovereignty over national resources in the occupied Palestinian and other Arab territories (*continued*) 149

33rd meeting

Thursday, 19 July 1990, at 10.20 a.m.

EXPRESSION OF SYMPATHY IN CONNECTION WITH THE RECENT EARTHQUAKE IN THE PHILIPPINES 149
AGENDA ITEM 1:
Adoption of the agenda and other organizational matters (*continued*)
Capital punishment (*continued*) 149
AGENDA ITEM 3:
Revitalization of the Economic and Social Council (*continued*) 150
AGENDA ITEM 15:
Report of the United Nations High Commissioner for Refugees (*continued*) 150
AGENDA ITEM 2:
General discussion of international economic and social policy, including regional and sectoral developments (*continued*) 150

Page

34th meeting

Tuesday, 24 July 1990, at 10.15 a.m.

AGENDA ITEM 1:
Adoption of the agenda and other organizational matters (*continued*)
Capital punishment (*continued*) 151
Convening of an international meeting on population in 1994 (*concluded*).................. 153
AGENDA ITEM 2:
General discussion of international economic and social policy, including regional and sectoral developments (*continued*) 153
AGENDA ITEM 4:
Permanent sovereignty over national resources in the occupied Palestinian and other Arab territories (*concluded*) 154
AGENDA ITEM 7:
Development and international economic co-operation (*continued*)
(*h*) Implementation of the Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries (*continued*) 154
AGENDA ITEM 15:
Report of the United Nations High Commissioner for Refugees (*concluded*) 154

35th meeting

Wednesday, 25 July 1990, at 3.20 p.m.

AGENDA ITEM 16:
Elections 155

36th meeting

Thursday, 26 July 1990, at 3.20 p.m.

TRIBUTE TO THE MEMORY OF MR. NASIM AHMAD 156
AGENDA ITEM 1:
Adoption of the agenda and other organizational matters (*continued*) 156
AGENDA ITEM 2:
General discussion of international economic and social policy, including regional and sectoral developments (*concluded*) 156
AGENDA ITEM 7:
Development and international economic co-operation (*continued*):
(*a*) Trade and development (*concluded*)
Report of the First (Economic) Committee 157
(*b*) International development strategy for the fourth United Nations decade
Report of the First (Economic) Committee 158
(*c*) World Food Council;
(*e*) Development and utilization of new and renewable sources of energy;
(*f*) Development of the energy sources of developing countries
Report of the First (Economic) Committee 158
AGENDA ITEM 8:
International co-operation in the field of informatics
Report of the First (Economic) Committee 158
AGENDA ITEM 12:
Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations
Report of the Third (Programme and Co-ordination) Committee 158
AGENDA ITEM 13:
Disaster reduction and relief:
(*a*) International strategy for the fight against locust and grasshopper infestation, particularly in Africa;
(*b*) Disaster relief co-ordination
Report of the Third (Programme and Co-ordination) Committee 160
AGENDA ITEM 14:
Special economic and humanitarian assistance:
(*a*) Special programmes of economic assistance;
(*b*) Humanitarian assistance
Report of the Third (Programme and Co-ordination) Committee 161
AGENDA ITEM 1:
Adoption of the agenda and other organizational matters (*continued*)
Capital punishment (*concluded*) 161

37th meeting

Friday, 27 July 1990, at 10.30 a.m.

AGENDA ITEM 7:
Development and international economic co-operation (*concluded*):
(*d*) Transnational corporations;
(*g*) International co-operation in tax matters
Report of the First (Economic) Committee 162
AGENDA ITEM 6:
Regional co-operation
Report of the First (Economic) Committee ... 164

Page

AGENDA ITEM 9:

Operational activities for development

Report of the Third (Programme and Co-ordination) Committee 166

AGENDA ITEM 11:

Programme questions

Report of the Third (Programme and Co-ordination) Committee 166

AGENDA ITEM 10:

Co-ordination questions

Report of the Third (Programme and Co-ordination) Committee 166

AGENDA ITEM 3:

Revitalization of the Economic and Social Council (*concluded*).. 167

CONCLUSION OF WORK AND SUSPENSION OF THE SESSION 167

RESUMED SECOND REGULAR SESSION OF 1990

Summary record of the 38th plenary meeting

38th meeting

Friday, 9 November 1990, at 10.30 a.m.

AGENDA ITEM 1:

Adoption of the agenda and other organizational matters (*concluded*) 169

Report of the Governing Council of the United Nations Environment Programme on the work of its second special session 169

Page

Note verbale dated 27 September 1990 from the Permanent Representative of Ethiopia to the United Nations addressed to the Secretary-General 170

Dates of the thirty-second session of the Commission for Social Development 170

Dates of the Tenth Meeting of Experts on the United Nations Programme in Public Administration and Finance 171

Emergency assistance to Samoa, American Samoa, Niue, Tokelau, Tonga, Tuvalu and Wallis and Futuna 171

AGENDA ITEM 10:

Co-ordination questions (*concluded*)

Report of the Committee for Programme and Co-ordination on the second part of its thirtieth session 171

Report of the Chairmen of the Committee for Programme and Co-ordination and the Administrative Committee on Co-ordination on the twenty-fifth series of Joint Meetings of the two Committees........................ 172

AGENDA ITEM 16:

Elections (*concluded*)

Elections carried over from previous sessions 172

Elections held following the reunification of the German Democratic Republic with the Federal Republic of Germany..................... 172

Election held as a result of the withdrawal of Mexico 173

CLOSURE OF THE SESSION.. 173

ABBREVIATIONS

ACABQ	Advisory Committee on Administrative and Budgetary Questions
ACC	Administrative Committee on Co-ordination
ACP	African, Caribbean and Pacific (countries)
ADB	Asian Development Bank
AfDB	African Development Bank
AIDS	acquired immuno-deficiency syndrome
CDP	Committee for Development Planning
CMEA	Council for Mutual Economic Assistance
CPC	Committee for Programme and Co-ordination
DAC	Development Assistance Committee (OECD)
EBRD	European Bank for Reconstruction and Development
ECA	Economic Commission for Africa
ECE	Economic Commission for Europe
EEC	European Economic Community
ECLAC	Economic Commission for Latin America and the Caribbean
EFTA	European Free Trade Association
ESCAP	Economic and Social Commission for Asia and the Pacific
ESCWA	Economic and Social Commission for Western Asia
FAO	Food and Agriculture Organization of the United Nations
GATT	General Agreement on Tariffs and Trade
GDP	gross domestic product
GNP	gross national product
GSP	generalized system of preferences
IAEA	International Atomic Energy Agency
IBRD	International Bank for Reconstruction and Development (World Bank)
ICAO	International Civil Aviation Organization
ICC	International Chamber of Commerce
ICFTU	International Confederation of Free Trade Unions
ICRC	International Committee of the Red Cross
IDA	International Development Association
IDB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
ILO	International Labour Organisation
IMF	International Monetary Fund
IMO	International Maritime Organization
IPU	Inter-Parliamentary Union
ITU	International Telecommunication Union
JIU	Joint Inspection Unit
OAU	Organization of African Unity
ODA	official development assistance
OECD	Organisation for Economic Co-operation and Development
OPEC	Organization of the Petroleum Exporting Countries
PLO	Palestine Liberation Organization
SDRs	special drawing rights
SELA	Latin American Economic System
Stabex	system to guarantee the stabilization of export earnings
Sysmin	system for minerals
SWAPO	South West African Peoples' Organization
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNDRO	Office of the United Nations Disaster Relief Co-ordinator
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East

WFC	World Food Council
WFP	World Food Programme
WHO	World Health Organization
WMO	World Meteorological Organization

EXPLANATORY NOTES

$: United States dollars.

A hyphen between years, e.g. 1990-1995, signifies the full period involved, including the beginning and end years.

AGENDA OF THE SECOND REGULAR SESSION OF 1990

Adopted by the Council at its 16th plenary meeting, on 4 July 1990

1. Adoption of the agenda and other organizational matters.
2. General discussion of international economic and social policy, including regional and sectoral developments.
3. Revitalization of the Economic and Social Council.
4. Permanent sovereignty over national resources in the occupied Palestinian and other Arab territories.
5. International co-operation in the elimination of the consequences of the accident at the Chernobyl nuclear power plant.
6. Regional co-operation.
7. Development and international economic co-operation:
    - (*a*) Trade and development;
    - (*b*) International development strategy for the fourth United Nations development decade;
    - (*c*) World Food Council;
    - (*d*) Transnational corporations;
    - (*e*) Development and utilization of new and renewable sources of energy;
    - (*f*) Development of the energy resources of developing countries;
    - (*g*) International co-operation in tax matters;
    - (*h*) Implementation of the Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries.
8. International co-operation in the field of informatics.
9. Operational activities for development.
10. Co-ordination questions.
11. Programme questions.
12. Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations.
13. Disaster reduction and relief:
    - (*a*) International strategy for the fight against locust and grasshopper infestation, particularly in Africa;
    - (*b*) Disaster relief co-ordination.
14. Special economic and humanitarian assistance:
    - (*a*) Special programmes of economic assistance;
    - (*b*) Humanitarian assistance.
15. Report of the United Nations High Commissioner for Refugees.
16. Elections.

CHECK-LIST OF DOCUMENTS

NOTE. Listed below are the documents pertaining to the second regular session of 1990. Unless otherwise indicated, the documents were issued in mimeographed form only.

Document number	*Title or description*	*Agenda item*	*Observations and references*
E/1990/4	Report of the Chairmen of CPC and ACC on the twenty-fourth series of Joint Meetings of the two Committees	10 and 11	
E/1990/10-A/45/77	Note by the Secretary-General transmitting the JIU report entitled "Evaluation of the regional project RLA/79/031: programme on joint studies on Latin American economic integration" (JIU/REP/89/4)	6	
E/1990/10/Add.1-A/45/77/Add.1	Comments by the Secretary-General	6	
E/1990/12 and Add.1-A/45/76 and Add.1	Note by the Secretary-General transmitting the JIU report entitled "Evaluation of rural development activities of the United Nations system in three African least developed countries" (JIU/REP/89/2)	9	
E/1990/18 and Add.1	Annual overview report of ACC for 1989	10	
E/1990/26 and Add.1	Report of the Commission on Transnational Corporations on its sixteenth session	7 (*d*)	*Official Records of the Economic and Social Council, 1990, Supplement No. 6*
E/1990/27 and Corr.1	Report of CDP on its twenty-sixth session	2	*Ibid., Supplement No. 7*
E/1990/28	Report of the Executive Board of UNICEF	9	*Ibid., Supplement No. 8*
E/1990/29	Report of the Governing Council of UNDP on its organizational meeting for 1990, its special session and its thirty-seventh session	9	*Ibid., Supplement No. 9*
E/1990/38/Rev.1 and Corr.1 and Add.1	Capital punishment: report of the Secretary-General	1	
E/1990/39 and Corr.1 and 2 and Add.1	United Nations System-Wide Action Plan on Drug Abuse Control: report of the Secretary-General	10	
E/1990/40	Annual report of ESCAP	2 and 6	*Ibid., Supplement No. 11*
E/1990/41 and Add.1	Annual report of ECE	2 and 6	*Ibid., Supplement No. 12*
E/1990/42	Annual report of ECA	2 and 6	*Ibid., Supplement No. 13*
E/1990/45-A/45/169	Letter dated 12 March 1990 from the Permanent Representative of Egypt to the United Nations addressed to the Secretary-General	10	
E/1990/48-A/45/185	Preparation of the Programme for the Second United Nations Transport and Communications Decade in Africa, 1991-2000: report of the Secretary-General	6	
E/1990/49	Work of the *Ad Hoc* Group of Experts on International Co-operation in Tax Matters: report of the Secretary-General	7 (*g*)	
E/1990/51	Summary of the economic survey of Europe, 1989-1990	2 and 6	

Document number	*Title or description*	*Agenda item*	*Observations and references*
E/1990/52	Summary of the economic and social survey of Asia and the Pacific, 1989	2 and 6	
E/1990/53	Summary of the survey of economic and social conditions in Africa, 1988-1989	2 and 6	
E/1990/54	*Summary of the economic survey of Latin America and the Caribbean, 1989*	2 and 6	
E/1990/55 and Corr.1 and 2	*World Economic Survey, 1990—Current Trends and Policies in the World Economy*	2	United Nations publication, Sales No. E.90.II.C.1
E/1990/56	Summary of the survey of economic and social developments in the region of ESCWA in 1989	2 and 6	
E/1990/57	Transport and Communications Decade for Asia and the Pacific, 1985-1994: report of the Secretary-General	6	
E/1990/58-A/45/256	Note by the Secretary-General transmitting the report of the Director-General of WHO entitled "Global strategy for the prevention and control of acquired immuno-deficiency syndrome (AIDS)"	10	
E/1990/59	Note by the Secretary-General transmitting the report of the Director-General of FAO on the implementation of the International Strategy for the Fight against Locust and Grasshopper Infestation, particularly in Africa	13 (*a*)	
E/1990/60	Report of the United Nations High Commissioner for Refugees	15	For the final text, see *Official Records of the General Assembly, Forty-fifth Session, Supplement No. 12* (A/45/12)
E/1990/61-A/45/257	Preparations for the Second Industrial Development Decade for Africa: report of the Secretary-General	6	
E/1990/66 and Corr.1-A/45/281 and Corr.1	Future administrative arrangements for the United Nations Pledging Conference for Development Activities: report of the Secretary-General	9	
E/1990/71/Rev.1	Assistance to the Palestinian people: note by the Secretary-General	12	
E/1990/72	Report of the President of the Economic and Social Council on consultations held with the Chairman of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples and the Chairman of the Special Committee against *Apartheid*	12	
E/1990/73 and Corr.1-A/45/274 and Corr.1	Energy exploration and development trends in developing countries: report of the Secretary-General	7 (*f*)	
E/1990/75	Report of the Secretary-General	3	
E/1990/76 and Add.1	Consumer protection: report of the Secretary-General	10	
E/1990/77 and Add.1-A/45/277 and Add.1	Mid-term review of the World Decade for Cultural Development (1988-1997): report of the Secretary-General	10	
E/1990/78 and Corr.1-A/45/271 and Corr.1	Office of the United Nations Disaster Relief Co-Ordinator: report of the Secretary-General	14	
E/1990/79	Report of ACC on expenditures of the United Nations system in relation to programmes	10	
E/1990/80 and Corr.1	Proposals to improve the work of the United Nations in the early identification, analysis and forecasting of world economic developments: report of the Secretary-General	2	
E/1990/81	Main research findings of the system in major global economic and social trends, policies and emerging issues: report of the Secretary-General	1	
E/1990/82-A/45/292	National entrepreneurs in economic development: report of the Secretary-General	2	

Document number	*Title or description*	*Agenda item*	*Observations and references*
E/1990/83	Note by the Secretary-General	4	
E/1990/84 and Corr.1 and Add.1	Report of the Secretary-General	6	
E/1990/84/Add.2	Programme budget implications of resolution 680 (XXV) on the future of the African Institute for Economic Development and Planning, adopted by the Conference of Ministers of ECA at its sixteenth meeting, Tripoli, May 1990: statement submitted by the Secretary-General in accordance with rule 31 of the rules of procedure of the Economic and Social Council	6	
E/1990/84/Add.3	Implementation of General Assembly resolution 43/216 concerning, *inter alia*, the functioning of Multinational Programming and Operational Centres (MULPOCs) of ECA: note by the Secretary-General	6	
E/1990/84/Add.4	Programme budget implications of resolution 698 (XXV) entitled "Final review and appraisal of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990", adopted by the Conference of Ministers of ECA at its sixteenth meeting: statement submitted by the Secretary-General in accordance with rule 31 of the rules of procedure of the Economic and Social Council	6	
E/1990/85 and Corr.1 and Add.1 to 5-A/45/273 and Corr.1 and Add.1 to 5	Note by the Secretary-General	9	
E/1990/86	Note by the Secretary-General	8	
E/1990/91	Report of the Commission on Transnational Corporations on its reconvened special session	7 (*d*)	
E/1990/92	Annotated provisional agenda	1	
E/1990/93	Report of the task force on documentation	3	
E/1990/94	Letter dated 31 May 1990 from the Chairman of the reconvened special session of the Commission on Transnational Corporations to the President of the Council	7 (*d*)	
E/1990/95	Annotated provisional agenda of the twenty-fifth series of Joint Meetings of CPC and ACC	1	
E/1990/96	Major outstanding issues in the negotiations relating to the code of conduct on transnational corporations: note by the Secretariat	7 (*d*)	
E/1990/97	Report of the Secretary-General	5	
E/1990/98	Requests from non-governmental organizations for hearings: report of the Committee on Non-Governmental Organizations	1	
E/1990/99	Fifteenth annual report of the Committee on Food Aid Policies and Programmes (WFP/CFA: 29/11)	9	
E/1990/100-A/45/334	Letter dated 2 July 1990 from the Chargé d'affaires a.i. of the Permanent Mission of Venezuela to the United Nations addressed to the Secretary-General	2	
E/1990/101	Decision adopted by the Committee on Food Aid Policies and Programmes at its twenty-ninth session: note by the Secretariat	9	
E/1990/102-A/45/342	Letter dated 6 July 1990 from the Deputy Minister for Foreign Affairs of the Union of Soviet Socialist Republics and the representatives of the Byelorussian Soviet Socialist Republic and the Ukrainian Soviet Socialist Republic to the United Nations addressed to the Secretary-General	5	
E/1990/103-A/45/338	Letter dated 9 July 1990 from the Permanent Representative of Albania to the United Nations addressed to the Secretary-General	6 and 7	
E/1990/104	Election of two members of the International Narcotics Control Board under the provisions of article 10, paragraph 5, of the Single Convention on Narcotic Drugs, 1961, as amended by the 1972 Protocol: note by the Secretary-General	16	

Document number	*Title or description*	*Agenda item*	*Observations and references*
E/1990/105	Letter dated 18 July 1990 from the head of the delegation of Cuba addressed to the President of the Council	1	
E/1990/106	Report of the First (Economic) Committee	7 (*a*)	
E/1990/107	*Idem*	7 (*b*)	
E/1990/108	*Idem*	7 (*d*) and (*g*)	
E/1990/109	*Idem*	7 (*c*), (*e*) and (*f*)	
E/1990/110	*Idem*	8	
E/1990/111	Report of the Third (Programme and Co-ordination) Committee	13	
E/1990/112	*Idem*	14	
E/1990/113	*Idem*	12	
E/1990/114	Report of the First (Economic) Committee	6	
E/1990/115	Report of the Third (Programme and Co-ordination) Committee	9	
E/1990/116	Idem	10	
E/1990/117	Idem	11	
E/1990/118-A/45/381	Letter dated 3 August 1990 from the Permanent Representative of Albania to the United Nations addressed to the Secretary-General	6 and 7	
E/1990/119	Letter dated 6 August 1990 from the Permanent Representative of Antigua and Barbuda to the United Nations addressed to the President of the Council	1	
E/1990/120	Note by the President of the Council concerning the accession of the German Democratic Republic to the Federal Republic of Germany		
E/1990/121	Note verbale dated 27 September 1990 from the Permanent Representative of Ethiopia to the United Nations addressed to the Secretary-General	1	
E/1990/122 and Corr.1	Items for consideration at the resumed second regular session of 1990: note by the Secretariat		
E/1990/123	Report of the Chairmen of CPC and ACC on the twenty-fifth series of Joint Meetings of the two Committees	10	
E/1990/C.1/L.1	Co-operation in fisheries in Africa—Cameroon, Côte d'Ivoire, Egypt, Ghana, Libyan Arab Jamahiriya, Morocco and Senegal: draft resolution	6	
E/1990/C1./L.2	Draft decision submitted by Bolivia on behalf of the Group of 77: report of the Commission on Transnational Corporations on its reconvened special session on the status of the negotiations on the code of conduct on transnational corporations	7 (*d*)	
E/1990/C.1/L.3	Draft resolution submitted by Bolivia on behalf of the Group of 77	7 (*a*)	
E/1990/C.3/L.1	Assistance to the Palestinian people—Algeria, Bahrain, Egypt, Indonesia, Jordan, Libyan Arab Jamahiriya, Mauritania, Morocco, Pakistan, Saudi Arabia, Senegal, Sudan, Syrian Arab Republic, Tunisia, Uganda, Ukrainian Soviet Socialist Republic and Yemen: draft resolution	12	
E/1990/C.3/L.2	Draft resolution submitted by Bolivia on behalf of the Group of 77: fight against the screw-worm infestation	13 (*a*)	
E/1990/C.3/L.3	Assistance to the Republic of Yemen—Bahrain, Egypt, Jordan, Lebanon, Libyan Arab Jamahiriya, Mauritania, Morocco, Qatar, Saudi Arabia, Somalia, Syrian Arab Republic, Tunisia, United Arab Emirates and Yemen: draft resolution	14 (*a*)	
E/1990/C.3/L.4	Assistance for the reconstruction and development of Lebanon—Algeria, Bahrain, Bolivia, Brazil, Egypt, France, Greece, Italy, Japan, Jordan, Lebanon, Malaysia, Morocco, Qatar, Saudi Arabia, Somalia, Spain, Syrian Arab Republic, Tunisia, United Kingdom of Great Britain and Northern Ireland, Yemen and Yugoslavia: draft resolution	14 (*a*)	

Document number	*Title or description*	*Agenda item*	*Observations and references*
E/1990/C.3/L.5	Operation Lifeline Sudan—Bolivia on behalf of the Group of 77 and Turkey: draft resolution	14 (*a*)	
E/1990/C.3/L.6	Mauritania: draft resolution	13 (*a*)	
E/1990/C.3/L.7	Draft resolution submitted by Bolivia on behalf of the Group of 77: assistance in cases of natural disasters and other disaster situations—Office of the United Nations Disaster Relief Co-ordinator	13 (*b*)	
E/1990/C.3/L.8	Special disaster relief assistance to the Islamic Republic of Iran: draft resolution submitted by the Chairman of the Committee on the basis of informal consultations	13 (*b*)	
E/1990/C.3/L.9	Bahamas, Bulgaria, Cuba, Czechoslovakia, Indonesia, Iran (Islamic Republic of), Iraq, Syrian Arab Republic, Ukrainian Soviet Socialist Republic, Yugoslavia and Zambia: draft resolution	12	
E/1990/C.3/L.9/Rev.1	________ : revised draft resolution	12	
E/1990/C.3/L.10	Consumer protection guidelines—Australia, Chile, Colombia, Cuba, Indonesia, Japan, Lesotho, New Zealand, Norway, Pakistan, Sweden, Thailand, Union of Soviet Socialist Republics, Venezuela and Viet Nam: draft resolution	10	
E/1990/C.3/L.10/Rev.1	________ [*same sponsors*] and Netherlands: revised draft resolution	10	
E/1990/C.3/L.11	Prevention and control of acquired immuno-deficiency syndrome (AIDS)—Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Czechoslovakia, Denmark, Finland, France, German Democratic Republic, Germany, Federal Republic of, Greece, Ireland, Italy, Japan, Lesotho, Liberia, Mexico, Netherlands, New Zealand, Norway, Portugal, Rwanda, Spain, Sweden, Thailand, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America and Zambia: draft resolution	10	
E/1990/C.3/L.12	United Nations System-Wide Action Plan on Drug Abuse Control—Australia, Austria, Bahamas, Belgium, Bolivia, Brazil, Canada, Colombia, Denmark, Egypt, France, German Democratic Republic, Germany, Federal Republic of, Greece, India, Ireland, Italy, Jamaica, Japan, Malaysia, Mexico, Netherlands, New Zealand, Norway, Pakistan, Peru, Portugal, Spain, Sweden, Thailand, Trinidad and Tobago, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Venezuela and Yugoslavia: draft resolution	10	
E/1990/C.3/L.12/Rev.1	________ : revised draft resolution	10	
E/1990/C.3/L.13	Follow-up of the special session of the General Assembly devoted to the question of international co-operation against illicit production, supply, demand, trafficking and distribution of narcotic drugs—Australia, Austria, Bahamas, Belgium, Bolivia, Brazil, Canada, Colombia, Denmark, Egypt, France, German Democratic Republic, Germany, Federal Republic of, Greece, Ireland, Italy, Jamaica, Japan, Malaysia, Mexico, Netherlands, New Zealand, Norway, Pakistan, Peru, Portugal, Spain, Sweden, Thailand, Trinidad and Tobago, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Venezuela and Yugoslavia: draft resolution	10	
E/1990/C.3/L.14	Draft resolution submitted by the Chairman of the Committee	11	
E/1990/C.3/L.14/Rev.1	*Idem*: revised draft resolution	11	
E/1990/C.3/L.15	Draft resolution submitted by Bolivia on behalf of the Group of 77: World Decade for Cultural Development	10	
E/1990/C.3/L.16	Refugees, displaced persons and returnees—Austria, Canada, Denmark, Finland, France, Germany, Federal Republic of, Italy, Netherlands, Norway, Sweden, United Kingdom of Great Britain and Northern Ireland and United States of America: draft resolution	9	
E/1990/C.3/L.17	Governance of the World Food Programme—Australia, Canada, Denmark, Finland, Kenya, Netherlands, Norway, Sweden, Thailand and United States of America: draft resolution	9	
E/1990/C.3/L.17/Rev.1	________ : revised draft resolution	9	

Document number	*Title or description*	*Agenda item*	*Observations and references*
E/1990/C.3/L.18	Future administrative arrangements for the United Nations Pledging Conference for Development Activities—United Kingdom of Great Britain and Northern Ireland: draft resolution	9	
E/1990/C.3/L.19	Agency support costs: draft resolution submitted by the Chairman of the Committee	9	
E/1990/C.3/L.20	Canada, Netherlands and United Kingdom of Great Britain and Northern Ireland: draft resolution	9	
E/1990/C.3/L.21	Implementation of the Global Programme of Action adopted by the General Assembly at its special session devoted to the question of international co-operation against illicit production, supply, demand, trafficking and distribution of narcotic drugs—Australia, Austria, Bahamas, Belgium, Bolivia, Brazil, Canada, Colombia, Czechoslovakia, Denmark, Egypt, France, German Democratic Republic, Germany, Federal Republic of, Greece, India, Iran (Islamic Republic of), Ireland, Italy, Jamaica, Japan, Malaysia, Mexico, Netherlands, New Zealand, Norway, Pakistan, Peru, Portugal, Spain, Syrian Arab Republic, Sweden, Thailand, Trinidad and Tobago, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Venezuela and Yugoslavia: draft resolution	11	
E/1990/C.3/L.22	Draft decision submitted by Uganda	10	
E/1990/CRP.1	Views of the Director-General for Development and International Economic Co-operation on the concept of a document containing the integrated operational response of the United Nations system to national programme frameworks: note by the Secretariat	9	
E/ESCWA/1990/1	Report of the Executive Secretary of ESCWA for the period May 1989-April 1990	2	
E/1990/INF.7/Rev.1	Note by the Secretariat	2	
E/1990/INF.9 and Add.1	List of delegations to the second regular session of 1990 of the Council		
E/1990/INF/10	Update of the *World Economic Survey, 1990*: note by the Secretary-General	2	
E/1990/L.21/Rev.1	International co-operation to address and mitigate the consequences of the accident at the Chernobyl nuclear power plant—Algeria, Austria, Bahamas, Bahrain, Belgium, Bolivia, Brazil, Bulgaria, Burkina Faso, Byelorussian Soviet Socialist Republic, Canada, Chile, China, Colombia, Cuba, Czechoslovakia, Denmark, Ecuador, Egypt, Finland, France, German Democratic Republic, Germany, Federal Republic of, Ghana, Greece, Guinea, India, Indonesia, Iran (Islamic Republic of), Iraq, Ireland, Italy, Jamaica, Japan, Jordan, Libyan Arab Jamahiriya, Luxembourg, Malaysia, Mauritania, Mexico, Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Poland, Portugal, Romania, Spain, Sweden, Switzerland, Thailand, Trinidad and Tobago, Tunisia, Turkey, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Venezuela, Viet Nam, Yugoslavia, Zaire and Zambia: draft resolution	5	
E/1990/L.24/Rev.1	Status of documentation for the session: note by the Secretariat	1	
E/1990/L.28	Report of the Executive Board of UNICEF	9	See E/1990/28
E/1990/L.29 and Corr.1	Extract from the report of the Governing Council of UNDP on its organizational meeting for 1990, its special session and its thirty-seventh session	2 and 9	See E/1990/29
E/1990/L.30	Programme budget implications of UNDP Governing Council decision 90/26 entitled "Agency supports costs", contained in the extract from the report of the Governing Council on its organizational meeting for 1990, its special session and its thirty-seventh session: statement submitted by the Secretary-General in accordance with rule 31 of the rules of procedure of the Economic and Social Council	9	
E/1990/L.31	Schedule of meetings as approved by the Economic and Social Council at its 16th meeting on 4 July 1990	1	

Document number	*Title or description*	*Agenda item*	*Observations and references*
E/1990/L.32	Draft resolution submitted by Bolivia on behalf of the Group of 77: special high-level meeting of the Economic and Social Council in 1991	3	
E/1990/L.33	Inclusion of Liberia in the list of the least developed countries—Liberia and Mauritania: draft decision	2	
E/1990/L.34	Draft resolution submitted by Bolivia on behalf of the Group of 77	8	
E/1990/L.35	*Idem*	7 (*h*)	
E/1990/L.36	Role of the United Nations in the early identification, analysis and forecasting of world economic developments—Union of Soviet Socialist Republics: draft resolution	2	
E/1990/L.37	Draft decision submitted by Bolivia on behalf of the Group of 77: strengthening multilateral co-operation in international economic affairs	2	
E/1990/L.38	Enlargement of the Executive Committee of the Programme of the United Nations High Commissioner for Refugees—Brunei Darussalam, Indonesia, Malaysia, Mauritania, Philippines and Thailand: draft resolution	15	
E/1990/L.39	Draft resolution submitted by Bolivia on behalf of the Group of 77: net transfer of resources from the developing countries	2	
E/1990/L.40	Entrepreneurship as a means of attracting non-debt-creating flows of capital—United States of America: draft resolution	2	
E/1990/L.40/Rev.1	________ : revised draft resolution	2	
E/1990/L.41	Draft resolution submitted by Bolivia on behalf of the Group of 77	3	
E/1990/L.42	Programme budget implications of draft resolution E/1990/L.32: statement submitted by the Secretary-General in accordance with rule 31 of the rules of procedure of the Economic and Social Council	3	
E/1990/L.43	Israeli economic practices in the occupied Palestinian and other Arab territories—Algeria, Bahrain, Cuba, Egypt, Iraq, Libyan Arab Jamahiriya, Mauritania, Pakistan, Syrian Arab Republic, Tunisia and Ukrainian Soviet Socialist Republic: draft resolution	4	
E/1990/L.43/Rev.1	________ [*same sponsors*], Jordan, Malaysia, Morocco, Saudi Arabia, Senegal and Sudan: revised draft resolution	4	
E/1990/L.44	Letter dated 17 July 1990 from the head of the delegation of the United States of America addressed to the President of the Council	3	
E/1990/L.45	Role of the United Nations in the early identification, analysis and forecasting of world economic developments: draft resolution submitted by the Vice-President of the Council on the basis of informal consultations held on draft resolution E/1990/L.36	2	
E/1990/L.46	Capital punishment—Czechoslovakia, Denmark, Finland, Germany, Federal Republic of, and Italy: draft resolution	1	
E/1990/L.46/Rev.1	________ [*same sponsors*], Australia, Austria, France, Netherlands, New Zealand, Norway, Portugal and Sweden: revised draft resolution	1	
E/1990/L.47	Letter dated 18 July 1990 from the deputy head of the delegation of Finland addressed to the President of the Council	3	
E/1990/L.48	Strengthening multilateral co-operation in international economic affairs: draft decision submitted by the Vice-President of the Council on the basis of informal consultations held on draft resolution E/1990/L.37	2	
E/1990/L.49	Convening of an international meeting on population in 1994: draft decision submitted by the Vice-President of the Council on the basis of informal consultations	1	
E/1990/L.50	Special high-level meeting of the Economic and Social Council in 1991: draft resolution submitted by the Vice-President of the Council on the basis of informal consultations held on draft resolution E/1990/L.32	3	
E/1990/L.51	Report of the task force on documentation: draft decision submitted by the Vice-President of the Council on the basis of informal consultations	3	

Document number	*Title or description*	*Agenda item*	*Observations and references*
E/1990/L.52	Trends in the transfer of resources to and from developing countries and their impact on the economic growth and sustained development of those countries: draft resolution submitted by the Vice-President of the Council on the basis of informal consultations held on draft resolution E/1990/L.39	2	
E/1990/L.53	Draft resolution submitted by the Vice-President of the Council on the basis of informal consultations held on draft resolution E/1990/L.41	3	
E/1990/L.54	Convening of a resumed second regular session of 1990 of the Economic and Social Council: draft decision submitted by the Vice-President of the Council on the basis of informal consultations	1	
E/1990/L.55	Entrepreneurship as a means of attracting non-debt-creating flows of capital: draft decision submitted by the Vice-President of the Council on the basis of informal consultations	2	
E/1990/L.56	Change of dates and venue of the Tenth Meeting of Experts on the United Nations Programme in Public Administration and Finance: note by the Secretariat	1	
E/1990/NGO/5	Written statement submitted by the Inter-Parliamentary Union, a non-governmental organization in consultative status (category I)	2	
E/1990/NGO/6	*Idem*	7	
E/1990/NGO/7	*Idem*	6	
E/1990/NGO/8	Written statement submitted by the International Alliance of Women—Equal Rights, Equal Responsibilities, the International Council of Women, the World Federation of Democratic Youth, non-governmental organizations in consultative status (category I); the Associated Country Women of the World, the International Association of Democratic Lawyers, the International Council of Jewish Women, the International Movement for Fraternal Union among Races and Peoples, the Medical Women's International Association, the World Association of Girl Guides and Girl Scouts, the World Federation of Methodist Women, the World Union of Catholic Women's Organizations, non-governmental organizations in consultative status (category II); and the International Juridical Organization, a non-governmental organization on the Roster	7 (*a*)	
E/1990/SR.16-38	Provisional summary records of the plenary meetings held by the Economic and Social Council during its second regular session of 1990		The final text of the summary records is contained in the present volume

ECONOMIC AND SOCIAL COUNCIL

SECOND REGULAR SESSION OF 1990

Summary records of the 16th to 37th plenary meetings, held at the Palais des Nations, Geneva, from 4 to 27 July 1990

16th meeting

Wednesday, 4 July 1990, at 10.50 a.m.

President: Mr. Chinmaya Rajaninath GHAREKHAN (India)

E/1990/SR.16

Opening of the session

1. The PRESIDENT declared open the second regular session of 1990 of the Economic and Social Council.

Expression of sympathy in connection with the recent earthquake in the Islamic Republic of Iran

2. The PRESIDENT extended the Council's deepest sympathy to the Government and people of the Islamic Republic of Iran for the tragic loss of life and extensive damage suffered as a result of the recent devastating earthquake. He hoped the international community would show its solidarity and respond promptly and generously to any request for help.

On the proposal of the President, the Council observed a minute's silence in tribute to the memory of the victims of the earthquake.

3. Mr. VELAYATI (Islamic Republic of Iran) said it was difficult to describe the affliction of the Iranian people, who had been put to a divine test in the form of a catastrophic earthquake. The earthquake had struck the north-west of Iran and had been the deadliest in the world in almost two decades. According to estimates, 50,000 people had died, many more had been injured and 500,000 had been left homeless.

4. Immediately following the disaster, a mass mobilization had been organized to bring help to the victims. The Government had formed a special headquarters in the Office of the President to supervise and coordinate relief. Despite the great shock, a well organized operation had been mounted and over 100,000 people had been rescued from the rubble. The massive participation of the Iranian people and their heroic sacrifices to relieve the sufferings of the victims and the bereaved families had been overwhelming. The exemplary mobilization of financial, material and human resources had demonstrated humanitarianism at its best and had brought a sense of pride to the Iranian people in the midst of tragedy and national mourning.

5. The solidarity and sympathy shown by people all over the world and by Governments, international agencies, non-governmental organizations and, above all, United Nations bodies had been a valuable source of moral and material support. The Secretary-General's appointment of a special representative, the provision of assistance, the convening of a resumed session of the General Assembly and the unanimous adoption of General Assembly resolution 44/242 had all been encouraging. The people and Government of the Islamic Republic of Iran were sincerely grateful for the support and cooperation.

6. As the process of emergency relief neared completion, a more difficult task lay immediately ahead. It was necessary to move on to rehabilitation and reconstruction, to rebuild four cities and hundreds of villages and to recreate public facilities. The Government hoped to be able to inform the United Nations system of the preliminary plans and requirements in a matter of weeks.

7. The Secretary-General had presented a preliminary report on the extent of the damage and the reconstruction requirements. As he had emphasized, the task ahead demanded a concerted effort by the United Nations system and the international community in general to allocate resources and technical assistance. His delegation thanked the countries and international organizations that had already undertaken to participate in the task. The Iranian Government and people would do all they could to restore normal conditions in the devastated regions.

Statement by the President

8. The PRESIDENT said that in the past year the world had witnessed far-reaching changes. Most had been in the political sphere, but all had implications for the world economic situation. Uppermost in everyone's mind were the changes in the Eastern European countries, the economic reforms most of them were undertaking, their impact on international economic co-operation and the economic and monetary union between the two German States ushered in three days earlier. The integration of the countries of the European Community into a single market, planned to take place in 1992, would also have important implications. The Uruguay Round of multilateral trade negotiations was scheduled to be concluded in December 1990. Within the United Nations, two events deserved special mention: the eighteenth special session of the General Assembly, devoted to international economic co-operation, in particular the revitalization of the economic growth and development of the developing countries; and the preparations for the United Nations Conference on Environment and Development in 1992.

9. *The World Economic Survey, 1990* (E/1990/55) showed that the world economy as a whole had slowed down considerably in 1989. The developed market-economy countries had managed to sustain steady growth, although the rate had fallen from 4.3 to 3.5 per cent. Unfortunately, in the developing countries the slow-down had been such that their growth rate had fallen by more than 1 per cent below that of the OECD countries. Even the modest acceleration in Africa and Latin America had been insufficient to produce an increase in per capita output. Many developing countries were still beset by debt problems, diminishing export revenues due to falling commodity prices, and declining resource flows. The Eastern European countries were passing through a difficult transition phase in their move towards a market economy. The outlook for the developing countries was particularly bleak. Little change was likely in the unfavourable economic circumstances of Africa and Latin America, and, although Asia was expected to do better, it was well to remember that two thirds of the one billion people living in absolute poverty were in Asia.

10. The United Nations had an indispensable role to play in the quest for co-operative solutions to global economic challenges. Under the Charter, the Council should serve as a focal point for deliberations on such matters. It should be enabled to discharge its responsibility for harnessing the increasing interdependence of the global economy and ensuring the harmonious growth of the various regions for the benefit of all.

11. Against that backdrop, the choice of the priority theme for the session, "Resources for development, and external indebtedness of the developing countries", was appropriate and timely. There had recently been some positive developments in the field of development financing—the general capital increase of the World Bank, the agreement on increased quotas in IMF, the ninth replenishment of IDA and capital increases in some of the regional development banks—but, judged against the increasing needs of the developing countries, those measures could not be deemed completely satisfactory. Nevertheless they were steps in the right direction.

12. The external indebtedness of the developing countries continued to be a serious cause of concern for the international community. Despite the measures so far taken, the total indebtedness of the third world still stood at about $1,300 billion, with many countries transferring more resources abroad than they received. Such initiatives as the Brady Plan[1] might have to be expanded to give attention to the problem of non-commercial debts of developing countries. Ways would also have to be found to prevent further deterioration of the situation. In that connection, the Secretary-General's appointment of Mr. Bettino Craxi as his Personal Representative on debt had been unanimously welcomed. The possibility of using a part of the "peace dividend" or "disarmament dividend" for development financing should be seriously considered. The uninterrupted expansion of the major industrial economies over the past seven years could spur further moves in that direction.

13. The current transition of the Eastern European economies had given a new edge to the discussion of resources for development. No one should grudge assistance to the countries concerned during the transition. At the same time, there were apprehensions about the possible diversion of resources that would otherwise have gone to the developing countries. The General Assembly, in the Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, which it had adopted at its eighteenth special session (resolution S-18/3), had made it clear that support for Eastern European countries must not detract from the high priority placed on international development co-

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[1] See IMF Survey, vol. 18, No. 6 (20 March 1989), p. 90.

operation with the developing countries. The principle of "non-diversion" needed to be translated into practical, operational terms.

14. During the past three years, the Council had given serious attention to its own revitalization. At the present session, the Council would have an opportunity to build on resolutions 1988/77 and 1989/114 and the progress made at its organizational session with regard to an indicative multi-year programme of work (decision 1990/205, para. 2). At the Council's request, he had undertaken consultations, on which he would report later in the session. He hoped the Council would be able to take some more decisive steps towards its revitalization and more effective performance.

15. Within the context of revitalization, the Council had chosen a topical theme—the impact of the recent evolution of East-West relations on the development prospects of developing countries—for in-depth consideration in 1991. He thanked all the members of the Council for their favourable response to his suggestion that there should be an informal exchange of views on the topic at the present session.

16. Other important tasks were before the Council. It would, for example, examine ways of following up the Declaration adopted by the General Assembly at its eighteenth special session. The Declaration's importance lay in the fact that it was a first step for the new decade. It was, however, only the first step in a lengthy process which the international community had to undertake in the months and years ahead. The Council was also scheduled to consider the implementation of the landmark General Assembly resolution 44/211 on operational activities for development. A plenary meeting would be devoted to consideration of the question of the least developed countries as the Council's contribution to the Second United Nations Conference on the Least Developed Countries, to be held in Paris in September 1990. The formulation of the next International Development Strategy would provide an opportunity to consider those questions comprehensively and to provide a coherent framework for action. He hoped the Council would be able to contribute to the work of the *Ad Hoc* Committee of the Whole for the Preparation of the International Development Strategy for the Fourth United Nations Development Decade by advancing the discussions on some of the issues with which the strategy was concerned.

Statement by the Secretary-General

17. The SECRETARY-GENERAL expressed his sympathy with the people and Government of the Islamic Republic of Iran for the heavy loss of life and the material damage caused by the devastating earthquake in north-eastern Iran. The international community's mobilization in support of that country was exemplified by General Assembly resolution 44/242. On behalf of the United Nations system, he reaffirmed the commitment to provide the Iranian people with all possible assistance in their rehabilitation and reconstruction efforts.

18. The Council was meeting amid signs of renewed optimism about the international community's ability to face the challenge of development. The extraordinary developments in the political arena that had dramatically narrowed the ideological differences between East and West had the potential to achieve greater harmony in international economic and social relations. In order to grasp the opportunity to create the stability necessary for peaceful and friendly relations among nations, Member States needed to revive and intensify their endeavours to attain the Charter of the United Nations objective of promoting higher standards of living and conditions of economic and social progress and development.

19. The outcome of the eighteenth special session of the General Assembly, devoted to international economic co-operation, underscored the Organization's unique place as the centre for harmonizing the actions of nations. The Council, which had a pivotal role in coordination and orientation in the economic and social sector, had an opportunity to promote a further meeting of minds.

20. As the international political climate improved, cooperation for development would assume a more prominent place in the global agenda. Mankind shared the planet and its resources and atmosphere. The futures of all the Earth's inhabitants were intertwined. The growing realization of the interdependence and community of interests of all nations must be reflected in progress towards the solution of the world's pressing problems. Mankind had the human and material resources to pursue the loftiest of objectives, lasting peace based on justice and equity. The essence of the international community's efforts must be to create international economic conditions that facilitated the development of developing countries.

21. In the context of a new commonality of perceptions, the eighteenth special session of the General Assembly had promoted a better understanding of the varying perceptions of the central economic and social issues and had clearly marked the renewal of the North-South dialogue. It had demonstrated that, with political will, nations with different perspectives could engage in a constructive dialogue to find solutions to complex world problems. In considering the question of follow-up to the special session, the Council must see how the renewed political will could contribute to the formulation of the international development strategy for the fourth United Nations development decade. It should also be reflected in the outcome of the Second United Nations Conference on the Least Developed Countries, the eighth session of the United Nations Conference on Trade and Development and other major international meetings on development issues.

22. Even though the consequences of the changes in Eastern Europe and the Soviet Union had yet to be fully analysed and understood, it was clear that they had fundamentally transformed East-West relations, eroded

ideological differences and vastly improved the prospects for world peace. Political imagination and innovation would be required in order to realize their full potential. Similarly, the expectations generated by the prospects of a "peace dividend" could only be realized through consolidation of the ongoing political processes and arrangements for monitoring disarmament and facilitating the conversion of military production to civilian uses.

23. With the progressive globalization of the world economy, the integration of the Eastern European countries into the international economy would have implications for overall development. Issues such as the possible diversion of financial flows to the Eastern European countries would have to be put in the longer-term perspective of their dynamic and revitalized participation in the global economy. The perspective would have to include trade and investment flows as well as increased demand for primary commodities. He welcomed the Council's decision to have an informal exchange of views on those questions during the current session and believed it would facilitate the work of the special meeting which the Council had decided to hold in 1991.[2]

24. The present political evolution should not cause the members of the Council to forget the needs of the populations facing deprivation in the developing countries. The Council must ensure that current developments contributed to genuine progress in promoting growth and development and eliminating hunger, poverty and disease.

25. Following the adoption by the General Assembly, in its resolution S-13/2, of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990, the African countries had undertaken the reform and reorganization of their economies but continued to face serious difficulties in obtaining the needed resources. The promise of the Toronto Economic Summit[3] had still to be realized. To mitigate the African economic crisis, the international community would need to augment its support for African countries considerably, through increases in financial flows, including debt forgiveness, trade liberalization and commodity price stabilization.

26. The 1980s had been years of unprecedented prosperity for the developed countries but had brought stagnation or recession to the economies of most developing countries. If unchecked, the present trends were likely to result in further marginalization of the developing economies, with disastrous social and political consequences in the countries concerned, threatening the expanding process of democratization and endangering regional and international peace.

27. Human solidarity and enlightened self-interest demanded a concerted response to reverse those trends. Genuine political will was the only means of ensuring much needed resource flows to developing countries and progress towards the creation of an open and equitable international trading régime. In order to prevent further marginalization of the developing countries, it was imperative that they should be enabled to benefit from advances in science and technology and from the communications revolution. The new global society would need to be based on solidarity, not on private initiative and competitiveness alone. The United Nations was committed to assisting the international community to achieve those objectives and must succeed in doing so.

28. The growing external debt of the developing countries, which now stood at $1,200 billion, was stifling the development aspirations of their peoples and preventing them from benefiting from new development opportunities. The persistence of the debt problem vitiated the atmosphere for genuine dialogue. The efforts of private and official creditors and multilateral financial institutions had so far fallen short of having a serious impact on resolving the debt crisis, the *sine qua non* of resumed growth. He was confident that the report shortly to be presented by Mr. Craxi, his Personal Representative on debt, would make a useful contribution to a just and long-term solution of that complex problem.

29. There was growing awareness that the preservation of the global environment was essential for mankind's future and for promoting third-world development. The United Nations Conference on Environment and Development, to be held in June 1992, would have to find credible answers to the effects of over-consumption, poverty and rapid population growth on the environment and on development. In addition to correcting consumption and production patterns, particularly in developed countries, future strategies would have to ensure access to the technology and resources needed by developing countries to achieve lasting and environmentally sound development. The disequilibrium affecting the environment could only be corrected on a durable basis if determined efforts were made to build an economically and socially more balanced world.

30. He was deeply concerned at the difficulties encountered in the Uruguay Round of multilateral trade negotiations. The unbridled pursuit of national interests was incompatible with the effective functioning of the international trade and payments system. It was important that the major trading partners should demonstrate greater political will to ensure the success of the negotiations and the conclusion of agreements that would allow the developing countries to strengthen their economies, generate more employment and increase their exports. Less protected markets in the North would assist the developing countries to eliminate poverty, hunger and disease and to participate fully in efforts to protect the environment.

31. The recent emphasis on open market economies needed to be seen in perspective. In developing countries, because of rapid population growth and resource constraints, there was need for careful economic management to ensure an adequate level of social welfare

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[2] See decision 1990/205, para. 1 (*b*).

[3] Meeting of seven major industrial countries, held at Toronto, Canada, from 19 to 21 June 1988 (see A/43/435).

and health and education programmes. In addition, economic relations between nations could not be left solely to market forces. They, too, required close monitoring and guidance. Some important industrialized countries were acting on that basis when they co-ordinated their macro-economic policies. The need for co-ordination and guidance was also reflected in the mandates of the multilateral institutions, even though some of them had not as yet fully realized that objective.

32. Artificial distinctions between economic, social and political issues had blurred the world view that would permit integrated analyses and coherent solutions to the problems of an increasingly complex world. That could only be done through a reinvigorated and enhanced system of multilateral co-operation. The Council's responsibility for co-ordinating and harmonizing United Nations activities in the economic and social sector had accordingly assumed even greater importance. In that context, he reaffirmed his commitment and that of his colleagues in ACC to further strengthening co-operation among the organizations of the United Nations system. The annual overview report of ACC (E/1990/18 and Add.1) was intended to assist the Council in carrying out its co-ordinating role. In that connection, he also drew the Council's attention to the report on the United Nations System-wide Action Plan on Drug Abuse Control (E/1990/39).

33. As could be seen from the medium-term plan for 1992-1997 (A/45/6), the highest priorities for the United Nations would naturally continue to be the maintenance of international peace and security and the enhancement of the well-being of the people of the world. The Council played an important role in determining the future orientation of the Organization's activities, and its views would be invaluable to the General Assembly.

34. Under the present conditions, it was essential to increase the resources and effectiveness of the multilateral development co-operation provided by the United Nations system. He welcomed the positive response of entities of the system engaged in operational activities for development to General Assembly resolution 44/211. It was important to preserve and strengthen the tripartite system developed over the past 40 years and to ensure that each party discharged its respective responsibility.

35. The report on the revitalization of the Council (E/1990/75) contained further ideas on that question and others relating to the functioning of the United Nations intergovernmental machinery in the economic and social sectors.

36. Promoting and maintaining international peace and security might in the future require a greater understanding of economic and social problems, including their political implications. Such understanding should assist the international community in agreeing on measures to reduce the risk of conflict. The Council could play an important role in that regard.

37. The narrowing of differences that had been based on varying economic philosophies had created an opportune moment for organizing Council meetings at the ministerial level to consider specific issues. Such meetings would enhance the Council's authority, enabling it to take decisions at a high political level and achieve a more thematic approach in its work. Well prepared meetings could, if States showed the necessary political will, re-establish the Council as a vital forum for substantive discussion of world economic and social problems.

38. The time was also opportune for reviving efforts to integrate the developing countries into the emerging global economy. There was a new political will to achieve that end and a growing realization that contemporary challenges could only be effectively met when all nations acted together. As a basis for concerted action, it was necessary to seek imaginative ways of carrying forward the process of dialogue. He had noted with interest the conclusions of the First Meeting of the Summit-level Group for South-South Consultations and Co-operation, held at Kuala Lumpur from 1 to 3 June 1990.[4] The meeting of seven major industrial countries to be held shortly at Houston, Texas, should also consider how best to follow up the eighteenth special session of the General Assembly at which Member States had committed themselves to a political review of the dialogue on economic issues. The United Nations was ready to give its full support to those efforts.

39. He was convinced that only by ensuring economic and social well-being for people everywhere could peace be established on an enduring foundation. It was the duty of the community of nations to organize a world in which children of all countries were assured of health care and education, where young people could find employment commensurate with their capacities and where all men and women could live in peace and harmony. To realize that vision for the future, it was now essential to formulate a strategy.

ITEM 1 OF THE PROVISIONAL AGENDA

Adoption of the agenda and other organizational matters

40. The PRESIDENT said that, if he heard no objection, he would take it that the Council wished to adopt the provisional agenda in document E/1990/92, section I.

The agenda was adopted [decision 1990/259, para. 1].

41. Mr. NOGUEIRA-BATISTA (Brazil), referring to Council resolution 1989/111 on strengthening multilateral co-operation in international economic affairs, noted that, according to paragraph 15 of the annotations to the provisional agenda (E/1990/92, sect. II), an oral report would be presented to the Council. In view of the importance of the question, he asked why the report was to be presented orally, who was to present it and where and when that would be done. He further asked when members of the Council would have an opportunity to comment on the report.

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[4] See A/45/303, annex.

42. Mr. STOBY (Secretary of the Council) drew attention to two changes in the schedule of meetings at the end of document E/1990/92. Item 7 (*a*) (Trade and development), which was to have been taken up at the morning plenary meeting on Wednesday, 11 July, would be considered at the afternoon meeting the same day. Item 8 (International co-operation in the field of informatics) should be added to the list of items to be taken up by the First (Economic) Committee at 3 p.m. on 17 July. The list of speakers on the item would be closed at 1 p.m. the previous day.

43. Mr. NAVAJAS MOGRO (Observer for Bolivia), speaking on behalf of the Group of 77, considered that item 7 (*h*) (Implementation of the Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries) should be considered in plenary. In view of the item's importance, the heads of the interested agencies and United Nations bodies should take part in the meeting in order to report on the steps they had taken to implement the Declaration.

44. Mr. TRAXLER (Italy), speaking on behalf of the European Community and its member States, supported the proposal by the observer for Bolivia and suggested that the sub-item should be taken up as soon as possible.

45. The PRESIDENT proposed that item 7 (*h*) should be taken up at the plenary meeting on Wednesday, 11 July, at 10 a.m.

It was so decided.

46. Mr. STOBY (Secretary of the Council) said that he would answer the Brazilian representative's questions later, as further consultations within the secretariat would be necessary.

47. The PRESIDENT said that, in accordance with Council decision 1990/205, the informal exchange of views that was to be held on Thursday, 12 July, with the executive heads of the organizations of the United Nations system on the impact of the recent evolution of East-West relations on the growth of the world economy, in particular on the economic growth and development of the developing countries, as well as on international economic co-operation, was aimed at assisting the Council to prepare for a high-level in-depth consideration of the topic at a special meeting on 4 and 5 July 1991. It would be useful to devote the first part of the informal meeting to questions previously submitted to the executive heads. He invited delegations to submit their questions in writing to the secretariat by 6 p.m. on Wednesday, 11 July.

48. If he heard no objection, he would take it that the Council wished to adopt the programme of work in document E/1990/92, section III, as orally amended.

It was so decided.

The meeting rose at 12.10 p.m.

17th meeting

Wednesday, 4 July 1990, at 3.05 p.m.

President: Mr. Chinmaya Rajaninath GHAREKHAN (India)

E/1990/SR.17

AGENDA ITEM 2

General discussion of international economic and social policy, including regional and sectoral developments

1. Mr. AHMED (Under-Secretary-General for International Economic and Social Affairs) said that the tectonic shift under way in the post-war international order, while essentially political, was rooted in economic experience and would have far-reaching implications for the world economy. The great ideological debate of the century had already begun to appear anachronistic, and growth had become the goal sought by all countries. The easing of political tensions and the possibility of substantial disarmament held the promise of strengthened international co-operation. Although the transition was inevitably generating great uncertainty and apprehension, it could, if wisely managed, open up vast new opportunities for growth and development.

2. In 1989, however, the world economy had failed to extricate itself from the patterns of the 1980s. Growth in some countries had been accompanied by stagnation in many others. Overall growth had exceeded 3 per cent, boosted by the developed market economies, which had maintained their longest post-war expansion and had grown at a rate of 3.5 per cent. Unemployment had declined in those economies, but inflationary tendencies had reappeared, compelling the adoption of restrictive monetary policies, which had resulted in rising interest rates. In the developing countries, the growth rate had declined sharply, from 4.5 per cent in 1988 to 3.4 per

cent in 1989. The remarkable pace of expansion achieved by South and East Asia in 1988 had not been maintained, mainly owing to a sharp deceleration in China, but the region had still achieved a healthy 6 per cent growth. In Eastern Europe and the Soviet Union output was estimated to have increased by 1 per cent, but the turbulent changes in those countries made all estimates highly tentative. Over the past decade, per capita income had dropped by 15 per cent in Latin America and 30 per cent in Africa, and there had been a large decline in West Asia as well.

3. In the short term, a slow-down in economic activity was expected in the developed market economies in 1990, with some recovery in 1991, and the average rate of increase in their per capita incomes was expected to remain at about the 2 per cent level achieved in the past several years.

4. The prospects for most developing countries remained bleak. Their growth was expected to decelerate further in 1990 before improving somewhat in 1991. In China, growth was expected to accelerate modestly, but, owing to various constraints, the rapid growth rates of the newly industrialized countries of Asia were not likely to be maintained. In Latin America, prospects depended on the outcome of the major stabilization efforts in many countries. In Africa, economic prospects would be determined by a number of exogenous factors, such as commodity prices and the weather. Even without any major shocks, growth was unlikely to improve much in 1990 but should do so modestly in 1991 as the results of reforms made themselves felt. As shown by the *World Economic Survey, 1990* (E/1990/55), resource flows to Africa continued to be inadequate in spite of major reform efforts and the commitments of the international community under the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 (General Assembly resolution S-13/2, annex). The recent unilateral decisions by some donor Governments to accord debt relief were encouraging, but further steps were needed to enhance resources flows and maximize the benefits of economic reforms.

5. The least developed countries, many of them in Africa, faced a similar predicament. The Second United Nations Conference on the Least Developed Countries, to be held in Paris in September 1990, should provide an opportunity for the international community to commit itself to a comprehensive programme of action for the revival of growth and development in the most vulnerable economies.

6. The obstacles to growth in many developing countries had persisted. Vigorous growth in the developed world and rapidly expanding international trade had not improved their prospects despite the considerable adjustment and reform efforts undertaken by many of them. One reason was the continuation of low commodity prices and historically high interest rates, but the overriding factor was an unsustainable burden of external debt. Huge transfers of resources from the developing countries, which had traditionally been net importers of capital, left little room for raising investment to the level necessary for growth. The key to a solution was the reduction of external debt burdens to sustainable levels. The Brady Plan[1] recognized that need, but its implementation had been slow and the benefits modest. The strategy would have to be applied consistently and on a broad front, which implied greater resource commitment and more coherent institutional arrangements—measures covered by the proposal for a debt reconstruction facility put forward in previous issues of the *World Economic Survey*.

7. The spread of protectionism throughout the 1980s had threatened the multilateral character of the international trade régime established under GATT. The discriminatory restraints imposed on the principal exports of developing countries, such as agricultural products and textiles, represented clear departures from the principles of free trade. A successful conclusion of the Uruguay Round would be vital for the health of the world economy and for the revival of development in the developing countries in coming years.

8. The trend towards world economic integration and interdependence had accelerated. Not only had there been momentous developments in Eastern Europe but the European Community had agreed to move towards a single currency, and regional arrangements for free trade had been worked out in many parts of the world. Advances in technology and communications were facilitating capital and finance movements and transforming the production and distribution of goods and services. A world-wide awakening to the environmental threat and to the need for joint action was also bringing the world closer together. Yet the challenge of world poverty continued undiminished and development had regressed over wide areas of the world.

9. The Declaration adopted by the General Assembly at its eighteenth special session (resolution S-18/3) reflected a new consensus on the Charter of the United Nations vision of multilateral co-operation for the promotion of the economic and social advancement of all peoples. It needed to be translated into specific measures to resolve such problems as external debt, financial flows, trade, the smooth and rapid integration of Eastern Europe into the world economy, the eradication of poverty, the economic crisis in Africa, stagnation in the least developed countries and the protection of the environment. The forthcoming negotiations on the international development strategy, the Second United Nations Conference on the Least Developed Countries, the eighth session of the United Nations Conference on Trade and Development and the United Nations Conference on Environment and Development to be held in 1992, as well as the negotiations proceeding in specialized forums, would test the international community's will to take decisive steps to ensure balanced, widely shared and sustained growth of the world economy.

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[1] See *IMF Survey*, vol. 18, No. 6 (20 March 1989), p. 90.

10. In the present climate of conciliation the international community should bring to life the vision of the framers of the Charter of the United Nations and the post-war economic order and lay the basis for a more coherent management of the world economy. That would imply a major strengthening of the role of the United Nations, and of the Council in particular, to deal coherently with the interrelated issues of global macroeconomic policy, underdevelopment, poverty and the environment. The institutions and arrangements governing international trade, money and finance would also need to evolve. That could be done through the integration of Eastern Europe and the developing countries more completely and equitably into the institutions and by enhancing their capacity to function effectively as centres for harmonizing national policies and as mechanisms of multilateral surveillance.

11. At the same time, every country must undertake effective national policies for its own development. The improvement of the human condition required the full participation of all segments of society in the development process. Raising the economic status of women and accelerating their full integration into economic life—to which a separate section of the *Survey* (chap. IX, sect. A) was devoted—constituted an important source of growth. Equally vital were the development of human resources and the mobilization of national savings for growth and development. The creative energies of society could only be given full play in a judicious policy framework that provided stable legal and institutional support to entrepreneurial skills and encouraged initiative. The report on that subject before the Council (E/1990/82) examined its national and international aspects and made appropriate recommendations.

12. The economic and social dimensions of development were inseparable and, as the Council had requested, a separate chapter in the *Survey* (chap. VII) was devoted to them. The Council was also to consider a report (E/1990/80) containing proposals to improve the work of the United Nations in the early identification, analysis and forecasting of world economic developments, which could be put into effect within existing resources.

13. The time had come for the Council to take a somewhat broader view of world developments. The cold war was in effect over, and the political and ideological divisions of Europe were fast disappearing—a momentous and, he believed, irreversible historic development. The mercantilism, autarky, foreign conquest, colonialism, dictatorship and religious intolerance that had, at one time or another, held sway were now rejected. The European countries were now seeing their future in working together, assisted by and in turn supporting multinational institutions, under the rule of law, and, as far as economic matters were concerned, in a pragmatic approach to growth and development. Those goals promised to ensure stable and long-term progress, provided the process was wisely managed and extended to encompass the entire international community.

14. Mr. TRAXLER (Italy), speaking on behalf of the European Community and its member States, expressed the Community's sympathy with the Government and people of the Islamic Republic of Iran in the recent disaster and reiterated the Community's offer to co-operate in the work of relief and reconstruction.

15. The eighteenth special session of the General Assembly, devoted to international economic co-operation, had demonstrated the existence of a consensus on such matters as the need for a renewed international commitment to revitalize growth and development, to the protection of the environment, to sustainable development, and to the priority of human resources development. The Declaration adopted in resolution S-18/3 would give further momentum to the important conferences scheduled to take place later that year and in the following years.

16. Many Governments were reorienting their development strategies at the conclusion of a decade marked by the failure of ideologies which had deprived many peoples of their basic freedoms and had not led to an improvement in living conditions. Europe was recovering its community of interests and overcoming the rift created by conflicting political and economic systems. In Central and Eastern Europe a resurgence of democracy and a movement in the direction of a market economy were taking place, both underpinned by a rediscovery of the importance of individual responsibility and private initiative and, he hoped, by a new sense of social and international solidarity. The coming conferences would provide an opportunity to dispel the fear expressed by many developing countries that, once its historical divisions had been overcome, Europe would look inward to its own concerns and largely ignore the concerns of the developing world.

17. The Community was aware that the developing countries' problems could not be solved without a joint effort by the industrial countries to create a favourable environment for the national efforts of the developing countries themselves. The Community's increasing role derived not only from the wealth produced by its citizens but also from the advanced stage of integration which made it an example of the advantages to be drawn from regional co-operation. Its members were determined to translate their greater cohesion and economic weight into a greater commitment to the areas of poverty beyond their borders. For many developing countries, the performance of the past decade had been disappointing, although not uniformly so. While there had been a sharp deterioration in the economic and social situation in Africa, and stagnation and even retrogression in Latin America, there were also instances of significant progress, particularly in Asia. Although many major problems remained unsolved, there were positive factors, among them the emergence of a consensus on what was needed in terms of national policies, incentives, legal structures and domestic conditions in order to mobilize the potential and creativity of individuals. There was also a consensus on what constituted an effective economic strategy, and an awareness that miracle cures did not exist. To that should be added the transformation of

Eastern Europe into a further potential dynamo for economic growth. The faster and more effectively the necessary transition could be made, the greater would be the stimulus to economic growth, in the developing countries also. The countries of Eastern Europe must, therefore, be helped in their progressive integration into the international economic system, and their participation in the international financial and commercial institutions should be facilitated, once the necessary conditions were met. A further positive factor was the reduction in international tensions, which should eventually result in major cut-backs in defence spending in the industrial world and in many developing countries.

18. The members of the Community welcomed the recent trends in world trade figures. Trade had increased by some 7 per cent a year on average between 1987 and 1989 and was expanding much faster at the outset of the 1990s than it had a decade earlier. While the developing nations' share in world exports of manufactured goods had tripled since the early 1960s, to about 12 per cent, that growth was unevenly distributed.

19. The Community was also encouraged by the demand for pluralism and democracy that was spreading throughout the developing world. Accountable government institutions, free initiative and an equitable juridical system were essential for participation in decision-making and durable economic reforms.

20. Although each country bore the primary responsibility for its own development, the international community should be ready to provide support when a country set reasonable growth targets and implemented an appropriate development policy. The many developing countries engaged in adjustment programmes deserved encouragement and support.

21. The provision of external assistance and the availability of adequate financial resources were essential. The members of the Community reiterated their commitment to the ODA target of 0.7 per cent of GNP, including 0.15 per cent for the least developed countries. The 46 per cent increase in the resources they were providing under the Fourth ACP-EEC Convention, signed at Lomé on 15 December 1989,[2] was evidence of that commitment, as was their participation in the sizeable increases in World Bank and IDB resources and their contributions to the replenishment of IDA and to IMF resources. Taken altogether, their contributions accounted for 44 per cent of total ODA from the industrial countries. The Community and its members had been progressing, since the beginning of the past decade, towards the achievement of the 0.7 per cent target and were committed to increasing their efforts in that direction.

22. External aid was, however, only one channel of development financing. As the experience of many developing countries indicated, domestic policies and economic environments were key factors in attracting much larger resources through commercial lending, foreign direct investment, reduction of capital flight and provision for capital repatriation. Developing countries might well decide that one of their first priorities should be to encourage domestic saving and investment by the provision of good investment opportunities and the creation of a favourable climate.

23. The indebtedness of developing countries, estimated by the World Bank to stand at roughly $1,290 billion (including IMF credit) was a heavy burden for many countries and an unbearable one for some. Several members of the Community had taken, or were committed to taking, measures in favour of the poorest countries, and some of their Governments had already cancelled large amounts of official debt. Ten of the least developed countries had so far benefited from the new terms agreed at the Toronto Economic Summit[3] for official bilateral debt. Bolivia had also benefited. Public creditors were increasing their efforts to find innovative approaches for other debtors. IMF, with its recently increased resources, was in a better position to expand its central role on a case-by-case basis. The co-operative debt strategy, embodied in the Baker initiative of October 1985 and enhanced in the Brady Plan, had not led to the rapid progress hoped for, but it was producing the first positive results. The experience of countries such as Mexico seemed to indicate that it was possible to grow out of a debt crisis. Moreover, the solvency and stability of the international banking system had been ensured. The enhanced debt strategy would have to be implemented at a faster rate. According to IMF data, the developing countries' total external liabilities (excluding IMF credits) had declined slightly to $1,214 billion by the end of 1989, but the decline was uneven. The Asian developing countries' indebtedness had changed little; in the western hemisphere, market-based debt reduction operations had reduced the region's debt slightly; and Africa's debt remained largely unchanged. While the international community as a whole must increase its co-operative efforts to tackle the debt challenge, debt-relief measures would remain short-term palliatives in the absence of structural adjustment by the debtor countries.

24. The Community Governments welcomed and concurred with the African Charter for Popular Participation in Development and Transformation (Arusha, 1990), which emphasized that Governments must move hand in hand with their people for the promotion of the common good. The United Nations system was making an important contribution in that regard, as was evident from the UNDP publication *Human Development Report 1990*.[4] Significant progress had, as the report pointed out, been made over the past decade, but over a billion people were still living in absolute poverty and 800 million went hungry every day. The report also drew attention to the high military budget in many developing countries, which approached $200 billion a year and exceeded the inflow of ODA. Developing countries as a group spent more on their armed forces than on educa-

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[2] See *The ACP-EEC Courier*, No. 120 (March-April 1990).

[3] See A/43/435.

[4] New York, Oxford University Press, 1990.

tion and health, which showed the scope for reallocation of expenditures within national budgets. The Community Governments and also the parliaments and public opinion wished to see ODA resources coupled with a socially oriented use of the resources available in national budgets.

25. The Community Governments were willing to help developing countries muster the resources to ensure that, through sustainable development, future economic growth was not sacrificed to immediate needs. The United Nations Conference on Environment and Development to be held in 1992 would have to be action-oriented and enhance the capacity of decision-makers in the developing countries to assess options in their own best interests. A short-term cost was attached to environmentally sound policies, but the eventual cost of failing to adopt such policies would be very much higher.

26. Mr. NAVAJAS MOGRO (Observer for Bolivia), speaking on behalf of the Group of 77, expressed the Group's sympathy with the Islamic Republic of Iran in connection with the recent earthquake.

27. The growing awareness of mankind's common problems and the far-reaching transformation in international relations could herald a new international order. The transformation of Central and Eastern European economies, the trend to integration among developed countries—which, while promoting internal growth, might be detrimental to the international community elsewhere and especially the developing countries—and the internationalization of financial markets, the production of goods and services, transport and communications, space exploration, and the rapid advances of science and technology were leading to greater world interdependence which must be managed with greater equity and balance to avoid further marginalization of the developing countries.

28. The situation of those countries remained dangerously critical and their prospects were still bleak. Despite their efforts towards restoring democratic institutions and fostering international relations, and their commitment to readjustment programmes, the economies of most were stagnating or even declining in consequence of the unfavourable international economic climate, external indebtedness and the lack of development resources.

29. The developed market economies had continued the expansion begun in 1983. Despite a slow-down, per capita GDP would grow by over 2 per cent in 1990. In the developing world, except mainland China, per capita GDP had virtually stagnated. Most of the developing countries, after the unexpected recession of the 1980s, were starting the new decade with huge obstacles to accelerated development. There was a vicious circle of low investment and stagnating output. Caught in the trap of external debt, the countries concerned could do little or nothing to promote domestic savings and investment.

30. Chapter IV of the *World Economic Survey, 1990* brought out the close link between variations in net transfers of financial resources and changes in investment levels. From 1980 to 1989 the developing countries had transferred to the developed countries a total of $110.4 billion.

31. Other factors, such as deteriorating terms of trade, the long-term downward trend of commodity prices and the developed countries' persistent protectionist policies, had deepened the crisis. In 1989, Latin America alone had made a net transfer of $28 billion—much more than in the previous year. In Africa, the net resource inflow had fallen from $15 billion in the early 1980s to one fifth of that amount in 1989. According to recent IMF figures, the developing countries' terms of trade had deteriorated at an average annual rate of 2.55 per cent between 1982 and 1989 and commodity prices had grown at a rate of barely 0.85 per cent a year.

32. A significant reduction in indebtedness could make a major impact on the problem of the net transfer of resources from developing to developed countries. However, without a serious undertaking by the international community to increase ODA, debt reduction alone would not improve the transfer of resources to developing countries and would make it even easier for creditors to evade the issue of debt rescheduling. The developed nations should not only meet the international 0.7 per cent ODA target but should also increase the resources available, particularly for the least developed countries. The aim should be to solve the external debt problem instead of simply managing it. The time had perhaps come for a new agreement between debtor and creditor Governments.

33. Further co-ordination of the developed countries' economic policies was needed with a view to generating substantial current account surpluses and measures to channel them to the developing countries. Multilateral agencies could play a fundamental role in that respect. It was important also that the needs of the developing countries should not be overlooked at a time when attention was attracted to the new prospects for direct foreign investment and development aid in Eastern Europe.

34. Despite early optimism in some quarters, the results of the 1988 Toronto Economic Summit and the Brady Plan had fallen short of expectations. The Declaration adopted by the General Assembly at its eighteenth special session (resolution S-18/3), calling for a lasting solution of the external debt problem, should now be supplemented by a detailed timetable. He hoped the report of the Secretary-General's Personal Representative on debt, Mr. Bettino Craxi,[5] would underline the urgency of a real solution and spell out the steps each of the actors must take to deal effectively with the crisis. The Houston Economic Summit, to be held shortly, should fully implement the Declaration, which called for the major industrial countries to continue their efforts to promote sustained growth and to narrow imbalances in a manner that could benefit other countries. The Declaration stressed that the co-ordination of macro-economic policies should take full account of the interests of all

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[5] A/45/380, annex.

countries, particularly the developing countries, and that efforts should be made to enhance the effectiveness of multilateral surveillance aimed at correcting existing external and fiscal imbalances, promoting non-inflationary sustainable growth, lowering real rates of interest, and making exchange rates more stable and markets more accessible.

35. Co-operation mechanisms needed to be improved to ensure rapid economic growth in the developing world. The formulation of the new international development strategy offered an opportunity of doing so. The major tasks of the decade ahead were to promote development so as to eradicate poverty and hunger, develop human resources and protect the environment. As stated in the Declaration adopted by the Assembly at its eighteenth special session, the most important challenge of the 1990s was the revitalization of economic growth and social development in the developing countries, which called for sustained growth of the world economy and favourable external conditions.

36. Mr. DJOUDI (Algeria) said that his delegation joined in the expressions of condolence to the delegation, Government and people of the Islamic Republic of Iran on the recent tragic events in that country.

37. The world was undergoing political changes on a scale hitherto unknown in peacetime. Sterile political confrontation and ideological tension could turn into mutually advantageous co-operation. Just as the former confrontation had touched every sphere of human activity, the new climate of understanding promised to benefit all areas of co-operation.

38. There was at the same time concern that the East-West rapprochement might do nothing to close the North-South gap and might even widen it, and that the benefits of progressive disarmament might not result in commensurate further help in the fight against hunger. The developed countries' eagerness to apply their ample resources to promoting East-West rapprochement might reduce their commitment to the cause of development. That would be unfortunate. The countries of the South were facing the longest period of economic stagnation and regression since their attainment of political independence, whereas the industrial nations had enjoyed the longest period of continuous economic growth in modern times and were thus well placed to assume their international responsibilities.

39. While attention was focused on Central and Eastern Europe, the efforts of developing countries, particularly in Africa, were brought to nothing by the unfavourable economic climate and the financial drain resulting from the net transfer of resources from the poorest to the richest countries. In that regard, the United Nations Programme of Action for African Economic Recovery and Development 1986-1990, due to end shortly, had still not received any clear token of the promised international solidarity. Although it had taken barely 6 months to create an international bank for the reconstruction of Eastern Europe, it had taken 15 years of hard bargaining to set up the Common Fund for Commodities, with a capital base only one quarter of that of the bank but expected to serve a large number of countries and some 4 billion people.

40. In order to prevent new forms of world division and misunderstanding, the Council had agreed at its organizational session, on the initiative of the Group of 77, to convene a special high-level meeting in July 1991 to evaluate the impact of the changes in East-West relations on the world economy and, in particular, on the developing countries' economic growth (decision 1990/205, para. 1 (*b*)). The meeting would provide an opportunity for agreement on action, in line with the Declaration adopted by the General Assembly in resolution S-18/3, to ensure that efforts to integrate the countries of Eastern Europe into the world economy would not detract from international co-operation in favour of the developing countries. In unanimously adopting that Declaration, the Assembly had taken up the challenge of giving a new impetus to economic growth and development in the developing countries. That objective, essential to lasting world peace and security, necessarily entailed an early solution of the external debt crisis, a reversal of the net flow of resources from the poorest to the richest countries and the structural adjustment of the countries of the South, in order to meet the growth needs of all.

41. In a rapidly changing world, all nations had become inescapably interdependent in all spheres. Environmental protection was inseparable from the alleviation of poverty. Since pollution recognized no national boundaries, environmental assistance to third-world countries also benefited the developed nations. Failure to assist the developing countries' economic growth would merely aggravate the structural causes of environmental degradation.

42. The removal of ideological barriers in East-West relations should be seized as an opportunity to reassert multilateralism, so that the United Nations and the Council could enter into a phase of revitalization and become a centre for harmonizing the actions of nations in the interests of peace, justice and progress.

43. Mr. DRAPER (Administrator, United Nations Development Programme) said that the world faced the prospect of a decade of new opportunities and greater realization of interdependence and collective responsibility for the global environment and the well-being of the world's population and of future generations.

44. Unless social choice was built into development efforts, the historic moment would, however, be lost. People must have the promise of a long and healthy life in which to enjoy the rewards of their hard work, and the world-wide upsurge of economic freedom must give them a say in determining their own future.

45. UNDP had taken a fresh look at facts pertaining to the quality of people's lives and had embodied its findings in the *Human Development Report 1990*, issued on the occasion of its fortieth anniversary. The report showed that, despite the widening economic and technological gap between North and South over the past 30 years, there had been significant human progress in the

developing world. Nevertheless, immense human deprivation persisted, with 1 billion people, mostly in Asia, living in absolute poverty, 900 million receiving no education, 14 million children annually dying before the age of 5 and the prospect that more than 20 million people would be infected with the human immunodeficiency virus (HIV) by the year 2000.

46. The challenge was daunting, but properly chosen priorities in the use of national budgets and international assistance could help to overcome the problems. The report showed that the budgets of most developing countries could provide for additional support for human development by reducing military expenditure and expenditure on inefficient State enterprises, unnecessary government controls and social subsidies benefiting only the rich and powerful.

47. The 1990s offered a unique opportunity to reorder budget priorities, both in the poorest countries and in the industrial world. That placed enormous responsibilities on the international community. The external economic and political environment must become far more favourable if developing countries were to be able to take the tough decisions required to restructure their expenditures. He welcomed the Governing Council's consensus view that the overall approach adopted, including the focus on policy options and alternative indicators of human progress, would be valuable for periodic global comparisons and as a basis for dialogue with individual countries.

48. The cause of human development was not helped by negative external flows or by the allocation of less and less to the social sectors by aid partners. The World Conference on Education for All, held at Jomtien, Thailand, in March 1990, had emphasized the need to restore and increase the share of education in budget expenditures. Although education was at the root of all development, the share of education and health in ODA had declined from 17 per cent to 10 per cent between 1980 and 1990.

49. In providing aid, adequate attention must be paid to protecting the interests of the weak, the vulnerable and the poor. If budget deficits were to be reduced, there should be a minimum threshold for essential expenditure on education, health and nutrition for the majority of the population. The squeeze should be passed on to the more powerful and entrenched interests in the economy. One lesson of the adjustment crisis of the 1980s was the short-sightedness of balancing budgets by unbalancing the lives of the poor. That lesson would be heeded in the 1990s through such joint endeavours as the UNDP/World Bank/AfDB project on the social dimensions of adjustment in Africa.

50. The Governing Council had again urged that full attention should be turned to Africa and had decided that the proportion of UNDP core resources going to the least developed countries, most of which were in Africa, should be increased to 55 per cent. UNDP had taken many initiatives in response to Africa's desire to find a way out of its economic plight. Africa's greatest resource was its human energy, and many UNDP-financed projects had been designed to strengthen indigenous grass-roots action and non-governmental organizations in Africa. Building on individuals and free enterprise would ensure that national capacities were strengthened.

51. The stimulation of people's productive energies and encouragement of their broader participation in economic and political life had to become more central to international co-operation for development. In the 1990s, highest priority should be given to the fact that women's choices were often different from men's.

52. Referring to the Council's triennial review of operational activities that had culminated in the adoption of General Assembly resolution 44/211, he said that the Governing Council had agreed that UNDP had an important role to play in the search for conceptual linkages between the major development challenges of the coming decade and activities in the field, and between human development and the institutional restructuring of the United Nations system. If increased self-reliance and development efficiency were to be achieved, there must be a transparent system in which accountability was safeguarded and which was technically effective and managerially efficient. Those linkages had been clearly stated in the Governing Council's decisions on such matters as national execution, agency support costs and governance. UNDP would implement those decisions in a spirit of partnership that would give new life to the tripartite relationship between recipient Governments, agency partners and UNDP.

53. In the decision on planning for the fifth programming cycle, beginning in 1992, the Governing Council had assumed an annual growth rate of 8 per cent in voluntary contributions. In the debate leading up to that decision, the neutrality and universality of UNDP had been cited as two major comparative advantages. Its neutrality was illustrated by the strong demand for its services by the countries of Central and Eastern Europe. There had been a marked shift in emphasis in the nature of the support requested. New demands called for impartial advice on macro-economic issues, support for the promotion of the private sector and the restructuring of large-scale industrial enterprises. Many other skills were also being sought from UNDP. A further demonstration of its neutrality was its co-operation in assisting the growing number of refugees and displaced persons. It had devised a joint programme with UNHCR to ensure that lasting solutions were found. Its neutrality had also enabled it to make unusual contributions in Central America, Cambodia, Afghanistan and Namibia.

54. Universality was another of its comparative advantages. UNDP was active in the Islamic Republic of Iran and had been able to help in the aftermath of the tragic earthquake. Universality was essential if UNDP was to facilitate a global exchange of experience and the transfer and development of skills needed for sustainable development. Although the concept of such development had not been acceptably defined, there was wide agreement that sustainable development strategies should

meet the needs of the present generation without compromising future generations. The emphasis in UNDP had been expanded beyond the protection of natural resources alone. Sustainable development included the maintenance of satisfactory economic growth rates and improved levels of human development; it also meant the ability for self-management with the required operational capacity, which was something that UNDP could help to improve. Any form of debt meant borrowing from future generations and became due for repayment in financial, human or environmental terms. A viable and sustainable development strategy should aim at limiting those debts. The basic approach to sustainable development had to be formulated so as to unify the concerns of North and South.

55. UNDP had been engaged over the past year in assisting Governments to deal with the causes rather than the symptoms of environmental degradation. Poverty had been recognized as one of the greatest threats to the global environment, and access to clean water as a key element in the attack on poverty. To mark the start of the new decade, UNDP was sponsoring a Global Consultation on Safe Water and Sanitation for the 1990s, "Safe Water 2000", in New Delhi in September 1990.

56. Co-ordination had been achieved in the prospective management of the new multilateral fund for the environment by the World Bank, UNEP and UNDP. To facilitate co-operation at the country level, it had been agreed that UNDP resident representatives would serve as the representatives of the Secretary-General of the United Nations Conference on Environment and Development.

57. Mr. BRÄUTIGAM (Federal Republic of Germany) said that the world had been witnessing a peaceful revolution in Central and Eastern Europe unprecedented in human history. The initial impetus for that transformation had come largely from the outstanding leadership of the President of the USSR, Mr. Gorbachev. Central and Eastern European countries had meanwhile embarked on courageous reform programmes leading to fundamental changes in their political, social and economic order. In most of them, basic human rights were now guaranteed and the democratization of society and of the political system was well under way. A reduction of military expenditure was envisaged. The countries concerned were working to transform their centrally planned economies into market-oriented systems. That was a demanding process, and enormous difficulties had to be surmounted.

58. The European nations were now convinced that the division of the continent would at last be overcome and the industrial nations were determined to support the process of change, the success of which would benefit the world economy. Increased productivity and high-quality production would in due course enable the Central and Eastern European countries to make substantial contributions to world trade and development.

59. The two German States, which had been separated against their will for 40 years, could at last unite. Economic, monetary and social union had taken effect on 1 July, and political unification would follow. Even under the more favourable conditions in the German Democratic Republic, compared with those in other Central and Eastern European States, the transformation of the socialist system into a market economy posed tremendous problems. The process of modernization towards a competitive industry required restructuring, capital investment and large-scale training. Telecommunications and the transport infrastructure had to be renewed and the environment protected. Economic unification was not expected to have a particularly inflationary impact or to push already high interest rates even higher, but the transitional period would bring massive unemployment. As a result of the economic stimulus generated by market forces and free enterprise, however, it should be possible to cope with the problem of unemployment in a relatively short period.

60. The European and world economy would benefit from German unification. The economic capabilities of Germany and of the European Community would be strengthened and their ability to absorb imports from both industrial and developing countries would be enhanced. Despite its vast financial requirements, Germany would not reduce its ODA or its financial contributions to international agencies. The allocations for development co-operation in 1991 were likely to grow even faster than average budget outlays.

61. The international economic situation again showed large disparities in economic performance between North and South. The Western industrial countries continued to show satisfactory growth, employment figures were still rising and it had so far been possible to keep inflationary pressures in check. A growth rate of over 3.5 per cent was expected in the Federal Republic of Germany in 1990. Economic unification was already having a good effect, and tax reform continued to contribute to favourable economic development. Structural unemployment was still high but the situation was gradually improving. German industry was adapting to the changing requirements. There were new demands to be satisfied and the number of jobs was increasing. The country's favourable economic development had also helped in integrating about 360,000 immigrants who had entered the Federal Republic of Germany in 1989, many of them from Central and Eastern European countries. The flow had not yet ceased and it would require a major effort to cope with it in addition to the challenges of German unification.

62. His country was aware of the problems caused to other countries by its considerable trade surplus, and it was making a great effort to overcome the imbalances. In 1989, its imports from developing countries had exceeded its exports to those countries by DM 4 billion, largely as a result of its trade promotion policy, which sought to provide better access to its market for developing countries. The Fourth ACP-EEC Convention, signed at Lomé on 15 December 1989, was expected to bring further improvements. The establishment of a greatly increased market as a result of German unification would

induce a substantial rise in imports from industrial and developing countries alike.

63. The economic performance of the various third-world countries varied greatly. Although some countries in the process of industrialization had done well, many others, especially the poorest, were falling behind. They suffered from population growth, hunger and malnutrition, insufficient health care and inadequate education and training, resulting in unemployment, inflation and negative per capita growth. The UNDP publication on *Development Report 1990* gave a graphic description of the present situation.

64. The poor countries must be assisted to pursue a policy objective of economic growth, but it was equally important to set clear priorities for human development, which must be reflected in the public expenditure of developing countries. In that context, any strategy for improving the socio-economic environment must meet the basic needs of food, health, shelter and education. Agricultural and rural structures had to be developed and entrepreneurship and craftsmanship encouraged, and for those purposes the status of women must be enhanced and inequalities and discrimination eliminated.

65. In addition to the necessary financial support from developed countries and international agencies, the public expenditures of the developing countries should also give priority to the battle against poverty. Unwieldy administrative structures should be eliminated, unjustified privileges abolished and military spending, particularly on expensive arms purchases, reduced. While some subsidies might be cut, social benefits for the poorest sectors of society had to be maintained.

66. Poverty in developing countries was exacerbated by rapid population growth. The world population was expected to increase by more than 100 million annually during the 1990s, bringing the total to 6 billion by the year 2000, with the well known consequences of increased famine, further flows of refugees, over-exploitation of arable land, large-scale environmental degradation and an enormous strain on social structures. Urgent measures had to be taken to reverse the trend towards uncontrolled population growth, the consequences of which had been highlighted in the recent report of the Executive Director of UNFPA (DP/1990/44) and had become a matter of most serious concern to the international community. Family-planning programmes should be strengthened, diversified and politically and publicly supported. There must also be a comprehensive approach to improving social and economic conditions, including literacy and education, health care and satisfaction of basic needs. His Government fully supported the programmes of UNFPA and encouraged other donor countries to do so.

67. His Government was deeply concerned about debt problems. There was a severe shortage of capital for much needed investments; unemployment and inflation were rising, social expenditure was being cut and the basic infrastructure was deteriorating. Some important progress had nevertheless been achieved through the reinforced debt strategy. His Government welcomed the gradual implementation of the Brady Plan, particularly with respect to debt relief for the poorest of the highly indebted countries, and supported the special efforts made in the framework of IMF, the World Bank and the Paris Club.

68. His country had played a pioneering role by cancelling bilateral official debts of some of the poorest countries to a total of DM 8.7 billion. Those countries had agreed to undertake economic adjustment programmes in co-operation with IMF and the World Bank. His Government was also taking an active part in discussions in the Paris Club and was working on the idea of debt reduction in connection with environmental protection measures.

69. International trade was an important development tool. Diversification of exports and stabilization of commodity prices were necessary elements of the international development strategy.

70. His Government, which was committed to a successful conclusion of the Uruguay Round, supported the removal of trade barriers and improved market access for textiles and tropical products from developing countries and was continuing its efforts for a gradual reduction of agricultural support. The GATT system should be strengthened with a view to enforcing the most-favoured-nation clause and non-discriminatory trade practices.

71. Deterioration of the environment had become a matter of deep concern for the international community, and the urgent need to combat climatic change was almost universally recognized. All the main issues in that area would be on the agenda of the United Nations Conference on Environment and Development in 1992. The aim should be to establish an ecological partnership between North and South on the understanding that the protection of the environment and economic and social development should be treated in an integrated manner.

72. Participants in the eighteenth special session of the General Assembly, devoted to international economic co-operation, had reached a consensus on guidelines for the reactivation of growth and development, including the need for sound national policies and for a supportive international environment. That was a major move to overcome ideological confrontation and prejudice and enter into constructive co-operation, making full use of the potential of the various countries. All countries should be guided by mutual respect, openness, awareness of the legitimate interests of others and a readiness to help the needy. Governments, parliaments and the general public were becoming increasingly aware of the interdependence and joint responsibility of North and South.

73. Mr. HATANO (Japan) expressed his delegation's sympathy with the Government and people of the Islamic Republic of Iran in their suffering in the recent earthquake and its sincere hope that they would make a rapid recovery from its tragic effects.

74. The dramatic changes in the international political arena in the past year called for reconsideration of long-held basic assumptions about international affairs. In addition to the changes in the political field, there was a major trend towards narrowing the differences in economic philosophies and systems that had divided societies since the Second World War. People were becoming increasingly aware of the importance of private initiative, market-place mechanisms, enhanced competition and pluralism in managing economic systems. Despite growing concern over inflation and high interest rates, the world economy continued to expand. In order to secure sustained economic growth, the developed countries, with the major responsibility for managing the world economy, continued to strengthen policy co-ordination among themselves, with emphasis on the need to rectify their economic imbalances and promote structural adjustments. At the same time, strong protectionist pressures posed a threat to the open multilateral trade system. The Uruguay Round must therefore be brought to a successful conclusion by the end of the year.

75. Japan would continue to make every effort to contribute to the sound development of the world economy. In particular, it would maintain non-inflationary growth led by domestic demand, reduce external imbalances by pursuing structural reform in its domestic economy, and further open its markets.

76. As the General Assembly had rightly declared at its eighteenth special session, the most important challenge of the 1990s was the promotion of growth and development in the developing countries. Although the primary responsibility for development lay with those countries themselves, the developed countries had the major responsibility for maintaining a sound economic environment conducive to the needs of developing countries and an obligation, together with the United Nations and other international organizations, to assist those countries in their development efforts.

77. His Government continued to place the highest priority on the expansion of ODA and was more than doubling the sum it had disbursed over the previous five years. Its disbursement of $8.9 billion in 1989 made it the largest donor country in the world. Its ODA budget for 1990 was over $10 billion, and it was determined to further enhance that assistance.

78. While the decision to transform their economies to market-oriented economies rested with the Eastern and Central European countries themselves, the international community should consider ways of assisting them in their efforts. In doing so, however, the high priority placed on economic assistance to developing countries should not be affected, and Japan was firmly committed to continuing its policy of co-operation with them.

79. The significant decrease in resource flows to developing countries in the 1980s was both a cause and a result of the aggravation of debt problems in some heavily indebted countries. Those problems must be overcome through the efforts of the international community to revitalize development, and efforts should be made to increase private financial flows as well as official flows. Promotion of exports from developing countries through general preferential treatment and a steady increase in commodity export earnings was particularly important.

80. The developing countries must continue to revitalize their economies by undertaking growth-oriented structural adjustment programmes so that they could control domestic inflation, raise the rate of domestic savings, reinvigorate the private sector, cultivate an environment that would attract foreign direct investment and diversify their export structures. They must also take measures to reverse the flight of capital. They would thus regain the confidence of the international community, which must respond by reacting in a positive manner to the developing countries' self-help efforts. In that context, Japan was currently striving to enhance financial flows to developing countries by implementing its expanded capital recycling scheme, under which it had decided to recycle more than $65 billion in completely untied funds to developing countries by 1992.

81. Substantial progress had been made in regard to the problem of indebtedness under the strengthened debt strategy, including voluntary commercial debt reduction. Japan was currently prepared to provide $10 billion to those countries to which the strategy applied. It hoped other countries would contribute to the implementation of the strategy in a similar manner.

82. Regarding debt relief measures for the least developed and other extremely poor countries, progress had been made in many countries by applying the scheme proposed at the Toronto Summit. Japan was providing debt relief grant assistance to 26 least developed and other severely troubled countries, virtually cancelling its ODA loans. It was also implementing some $600 million in non-project-type grant assistance over the three-year period starting in fiscal year 1990 to support the efforts of least developed countries in sub-Saharan Africa and elsewhere to carry out structural adjustment programmes.

83. The preservation of the environment had been recognized in recent years as a matter demanding urgent attention. It was widely accepted that, to be sustainable, development must be undertaken in an environmentally sound manner. Environmental degradation was a global issue that required the full co-operation of the international community based on the shared responsibility of all nations, developed and developing alike. The United Nations could play a central role in fostering international co-operation in that field. The United Nations Conference on Environment and Development to be held in 1992 would provide an important opportunity for discussing measures to cope with global environmental problems from a long-term perspective. His delegation hoped that the forthcoming meeting of the Preparatory Committee, in which the Japanese Government intended to play an active part, would be fruitful.

84. In addressing environmental issues, the interests and needs of developing countries must of course be taken into account. The international community should

assist their efforts to achieve environmentally sound development. Japan, which had been increasing its bilateral and multilateral aid in the environmental field, envisaged the disbursement of about 300 billion yen during the three fiscal years 1989-1991. Environmental aid of about 125 billion yen had been extended in 1989. As part of that initiative, the Japanese Government had undertaken to extend ODA loans to Mexico totalling approximately $850 million, together with Japanese Export-Import Bank credits of $315 million, to support its efforts to tackle air pollution.

85. Japan was the world's most energy-efficient economy, with the lowest level of carbon dioxide emissions relative to GDP of all the developed countries, and was determined to contribute actively to international endeavours to solve the problem of global warming, such as the Intergovernmental Panel on Climate Change. In that context it had decided to formulate before the end of the year an Action Programme to Arrest Global Warming, which would set specific targets for the stabilization of greenhouse gas emissions at the lowest possible level by the year 2000.

86. The recent devastating earthquakes in the Islamic Republic of Iran had aroused the sympathy and concern of the entire international community. International efforts to reduce the damage resulting from natural disasters must be strengthened. In recognition of that need, Japan had taken the initiative in the United Nations to have the 1990s designated as the International Decade for Natural Disaster Reduction. Effective implementation of the International Framework of Action which the General Assembly had adopted under resolution 44/236 was crucial to the success of that endeavour. Japan had decided to make a contribution of $500,000 in fiscal 1990 to support projects to be implemented in the context of the Decade and hoped other countries would extend similar support.

87. Tragedies of catastrophic proportions were not, of course, limited to those caused by the forces of nature. Rapid and dramatic progress in science and technology sometimes resulted in industrial disasters, such as the accident at the Chernobyl nuclear power plant. The Japanese Government had extended assistance, including medical assistance, to the Soviet Union in the wake of that accident. To the same end, and as the only nation in the world to have experienced the destruction brought by atomic weapons, Japan intended to support the draft resolution on that subject which the Council was to consider during the session (E/1990/L.21/Rev.1).

88. Co-operation among all States must be strengthened if the international community was to cope effectively with the challenges of the future. The United Nations could and should play an important role in that regard. The new spirit of consensus that had emanated from the eighteenth special session of the General Assembly could be expected to guide future substantial endeavours in respect of the international economy and development issues. If the general principles agreed upon at the special session were respected at the Second United Nations Conference on the Least Developed Countries, in the formulation of the new international development strategy, at the eighth session of the United Nations Conference on Trade and Development, and at the United Nations Conference on Environment and Development in 1992, great strides could be made towards meeting the challenges and opportunities that lay ahead. Japan would participate actively towards that end.

89. Mr. GRANT (Executive Director, United Nations Children's Fund) said that the priority theme at the current session, "Resources for development and external indebtedness of the developing countries", was well chosen and timely. After prolonged economic difficulties, there were signs of a potential for positive change. Brilliant progress had been achieved in the political arena, and signs were emerging of new commitments to the search for solutions to economic problems. However, the difficulties still faced by most developing countries and the obstacles currently before many developed countries had been amply described in the documents before the Council and by previous speakers.

90. The developing countries, in particular, had experienced a crippling negative net transfer of financial resources leading to a decline in many cases in real per capita income. All too often it was the poor, and the most vulnerable groups among them, women and children, who bore the heaviest burden of suffering during times of economic constraint. Obviously, international economic matters had a significant effect in human terms as well, such as the health and well-being of the world's children. Many members of the Council were aware of and shared the concern of UNICEF that human needs should be protected during the process of structural adjustment. The concept of "adjustment with a human face" was increasingly broadly accepted, although it was still widely violated in practice.

91. Fortunately, despite the economic hardships of the 1980s, advances in a number of child-related issues had been mutually reinforcing to a point at which the potential existed for major progress for the children of the world. Progress in child survival and development activities, especially the massive effort for universal child immunization against the six main child-killing diseases by the end of 1990, had given nations and the international community the confidence to take other bold actions on behalf of children. Immunization coverage by the end of 1989 had reached 71 per cent overall. That was a major achievement considering that only some 20 per cent of the world's children had been immunized at the beginning of the decade. If the current momentum could be maintained, coverage would reach 80 per cent by the end of 1990, an achievement that would prevent more than 3 million infant and child deaths a year.

92. The unanimous adoption on 20 November 1989 of the Convention on the Rights of the Child[6] and progress towards its ratification and implementation were also major steps forward. The interest aroused by child sur-

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[6] General Assembly resolution 44/25, annex.

vival and development activities had played a significant role in making that advance possible.

93. Similarly, attention to children's issues stimulated by support for the Convention had contributed to the convening of the World Conference on Education for All, in Jomtien, Thailand, in March 1990, the largest conference ever convened on basic education. That conference, in which most of the Governments represented in the Council had participated, had encouraged a new commitment to basic education, including a widespread commitment to universal primary education by the year 2000. That new level of global commitment was reflected in the greatly increased allocations proposed for education in the coming years and a new partnership of the four principal sponsors of the conference: UNDP, UNESCO, UNICEF and the World Bank. UNICEF planned to increase funding for education from 7 per cent of programme expenditure in 1989 to 15 per cent by 1993 and 25 per cent by the year 2000.

94. Advances in all those areas had contributed greatly to progress towards the forthcoming World Summit for Children. That in turn was having an accelerating effect both on the ratification and implementation of the Convention and on child survival and development activities. It now appeared that the 20 ratifications needed to bring the Convention into effect would have materialized by the date of the World Summit on 29 and 30 September 1990. Representatives of heads of State or Government of 30 countries were participating in the Planning Committee which was preparing the World Summit, and leaders from more than 160 countries had been invited. The overall aim of the Summit was to put children high on the agenda of the 1990s, giving them first call on the world's resources in good times or bad, war or peace, for purposes of their survival, protection and development.

95. The World Summit offered the promise of a unique intensification of political will that would bring the goals and strategies for children and development in the 1990s set out by UNICEF within reach. If those goals were realized, the health of hundreds of millions of children would be improved and the lives of some 50 million children saved during the decade.

96. Achievement of those goals would also bode well for the environment. Although over-population was often, and rightly, regarded as a root cause of many of the world's environmental problems, the historical pattern of demographic change in all nations showed that a sustained decline in birth rates would not be achieved without a prior sustained decline in child deaths. Programmes to reduce infant and child mortality, coupled with family-planning programmes, would help to stabilize population sooner and at lower levels than either activity alone.

97. The experience of UNICEF in defining goals and strategies for children for the 1990s had convinced it that, in broader arenas of development, a clear international consensus on goals and strategies for the 1990s would help to ensure the effective and concerted use of international resources. The international community's efforts in that connection must closely reflect and support clearly defined national goals and strategies.

98. In many countries, the crises of the 1980s had undermined national capacity to address long-term development objectives. The United Nations could play a vital role in assisting Governments to restore that capacity. To do so, the entire United Nations system must be mobilized in a concerted and effective manner. To that end, perhaps the most important resource available to the United Nations system was its operational activities. Those activities were largely country-based and carried out by country offices working alongside national Governments. In recent years, important new approaches for the United Nations system had emerged, as exemplified by General Assembly resolution 44/211 and the new agreements reached in the ACC Consultative Committee on Substantive Questions (Operational Activities) (see E/1990/18, sect. II). Importance had been placed first on helping Governments to develop their own goals and strategies and subsequently on structuring the content and mechanism of United Nations activities around those goals and strategies. The approach would require the organizations of the United Nations system to provide clear indications of their programme objectives, together with well designed impact assessments which could be monitored. It would also require a new degree of flexibility. The institutional concerns raised by such flexibility were understandable, but he believed they could be met. He hoped that Governments and international institutions would work together to implement the provisions of resolution 44/211.

99. Considerable progress had been made in developing new and innovative ways of supporting inter-agency efforts. The ACC operational activities committee, which was chaired by the Deputy Executive Director for Programmes of UNICEF, had undertaken the first major overhaul of the resident co-ordinator system since its establishment. ACC had also reached agreement on a more intensified and structured process of collaboration among United Nations organizations at the country level, in support of national government goals and objectives. Although the General Assembly had set clear, long-term directions and ACC had developed a number of complementary approaches, the task of achieving those objectives still remained. UNICEF would continue to need the guidance of the Council and the General Assembly.

100. The current session of the Council was taking place at a crucial moment in the history of development and at a most crucial moment for the children of the world. The time was one of phenomenal change and opportunity. The challenge for Governments, through the Council, was how to seize the opportunities of the moment to advance development goals. The theme of the current session, the mobilization of financial flows for development, with primary emphasis on the human dimension of development, would help to design a new level of effectiveness into the international development strategy for the fourth United Nations development decade. The international community looked to the Council to make a major contribution in that domain.

101. Mr. DOMKE (German Democratic Republic) expressed his Government's shock and concern at the recent tragic events in the Ismalic Republic of Iran and assured that country's people of its sympathy and solidarity.

102. The international situation on the threshold of the 1990s gave grounds for optimism that answers could be found to the challenges of the time, making the 1990s a period of growth for all. The dynamic changes under way in Central and Eastern Europe opened up a real prospect of tangible improvement in the living conditions of the population through the translation of the political gains achieved into economic ones. The more effectively that process could be organized, the higher the benefits would be for the development of the poorer countries. The decrease in international tensions offered the prospect of cuts in military budgets and the effective use of the means thus released would improve the prospects for economic progress.

103. Economic co-operation had a key role to play in the changing, interdependent world. The extremely rapid changes in the world economy posed a great challenge to all States, one also fraught with considerable risks. Those risks and challenges must be met by giving a new dimension to relations between peoples. No single State or continent could cope with global problems by itself: the situation demanded joint strategies and common actions.

104. The 1980s had ended with the failure of the attempt of the past 40 years to build centrally planned and managed economies in the Eastern European countries. The market economy had proved to be a more innovative and dynamic economic system. At the same time, it must be recognized that the market economy had so far failed to offer solutions to the global problems of hunger and underdevelopment.

105. The unification of the two German States was a major part of the changes taking place in Europe. That process was apparently taking place faster in many respects than the emergence of new pan-European security structures. His Government was fully aware of its responsibility and obligation to shape German unification in such a way as to ensure that Germany's neighbours and the other European States need have no fear for the future. The resolution adopted by the two German Parliaments on the frontier between a unified Germany and Poland bore witness to the German people's determination to fit the process of unification into the pan-European structures. Every effort would be made to ensure that the radical economic and social transformations taking place in Germany would become a factor making for stability in the heart of Europe. Since the holding of the first free and democratic elections in the German Democratic Republic, the country had embarked on a road which would lead quickly to a socially and ecologically oriented market economy fully integrated into the international division of labour. In that way, it hoped both to meet the expectations of its own people and to discharge better its responsibility to the international community. The recently concluded State treaty between the Governments of the German Democratic Republic and the Federal Republic of Germany introducing economic, monetary and social union provided favourable conditions for a rapid transition to a market economy and for the emergence of competitive enterprises. Attractive investment opportunities would open up in the productive sector, but it was also realized that the adjustment of the economy to market conditions might involve social hardships, in particular temporary unemployment.

106. Notwithstanding its own problems, the German Democratic Republic accepted in a new manner its responsibility to assist the developing countries in their efforts to overcome backwardness and underdevelopment. For the first time, a Ministry of Economic Co-operation had been set up in the German Democratic Republic, reflecting that new approach. The aim was to help the people of the developing countries to develop their creative potential. Development assistance would be directed towards self-help; it would contribute to securing basic living conditions, especially for the poorest sectors of the population, and to promoting the establishment of economic structures for self-reliant development. Increasingly, the German Democratic Republic's participation in development activities would be in co-operation with the Federal Republic of Germany, thus enhancing the effectiveness of those activities for the benefit of the recipient countries.

107. The qualitative changes in East-West relations should be used as an opportunity to intensify North-South relations. The unification process in Germany and Europe provided a new setting in which to fulfil the expectations of the peoples of the South for assistance and aid for self-help in a new manner. Every effort would be made to ensure that the changes in the German Democratic Republic would not be at the expense of its efforts for the peoples of the developing world. Projects and activities which served social and economic progress in developing countries would be carried on and if possible expanded. A situation was emerging in which development policy would no longer be pursued on ideological grounds. The resources previously tied up because of ideological, economic and military confrontation must be spent to ease economic, social and ecological problems in developing countries and to tackle global issues. The pursuit of such a policy of real world-wide solidarity posed a global challenge of new dimensions to the developed countries. The Eastern European countries' efforts to create ecologically sustainable market economies deserved international support, but such support should not neglect the problems of the developing countries. Assistance to those countries must be maintained in the interest of global stability and, wherever possible, be both qualitatively and quantitatively enhanced.

108. The United Nations system provided a suitable universal framework for the strengthening of multilateral co-operation. The eighteenth special session of the General Assembly had proved that the Organization could achieve satisfactory results in the difficult area of international economic relations if its Member States so

wished. The Declaration adopted in resolution S-18/3 provided a suitable framework for the future shaping of international economic co-operation, in that it reflected the common views of Member States regarding further ways of reviving economic growth in the developing countries and took into account the requirements of a stable world economy as a whole. Thus, the special session had done much to advance the substantive preparation of the new international development strategy. The developing countries' own efforts to improve their situation must go hand in hand with efforts to create a favourable international framework for economic and social development. Economic growth and development demanded a well balanced combination of national and international measures. The mobilization of internal development factors was a prerequisite for more effective external help. His delegation noted with concern that the *Ad Hoc* Committee of the Whole for the Preparation of the International Development Strategy for the Fourth United Nations Development Decade had not yet begun to formulate a text of the strategy. In its view, the draft submitted by the Secretariat[7] would have been a useful basis.

109. Mention of the international development strategy inevitably led to consideration of the debt crisis, which posed an enormous challenge to the international community. His delegation believed that a general framework should be established for settling the global crisis while at the same time pursuing case-by-case solutions reflecting the specific situation of the parties concerned. International experience of the past few years had shown that the problem could not be solved permanently by applying financial procedures alone. Obviously, complex measures were needed to give the developing countries concerned a genuine chance of acquiring the necessary means to emerge from debt by their own efforts. The main area in which that could be done was international trade. More than ever before, the international community was called upon to create global commercial conditions, not least through the desired results of the Uruguay Round, that would secure the integration of the developing countries into international trade flows. The trade policy pursued by the European Community under the Lomé agreements was well suited to serve that aim. In that connection, the renewed interest in establishing a comprehensive and universal international trade organization deserved the support of all concerned.

110. The development of human resources should be a centre of interest for the Council as being of crucial importance to economic and social progress. The great efforts being undertaken by all developed States in that field spoke for themselves. At the same time, they illustrated how much more necessary and difficult it was for developing countries to pursue such efforts. The resolutions adopted by the Council and the General Assembly on that topic contained important principles that should govern future international co-operation in that field.

The meeting rose at 6.15 p.m.

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[7] A/AC.232/10.

18th meeting

Thursday, 5 July 1990, at 10.10 a.m.

President: Mr. Chinmaya Rajaninath GHAREKHAN (India)

E/1990/SR.18

AGENDA ITEM 1

Adoption of the agenda and other organizational matters (*continued*)*

1. The PRESIDENT drew attention to the report of the Committee on Non-Governmental Organizations (E/1990/98), in which the Committee recommended that the Council agree to hear a number of non-governmental organizations. The recommendation had been adopted at a meeting attended by only 7 of the Committee's 19 members. Under rule 41 of the Council's rules of procedure, a decision could only be taken if the representatives of a majority of the members of the body concerned were present. He regretted that the Committee had been unable to obtain the required majority for its decision, but since the full membership of the United Nations was not represented at Geneva and the Committee had met only briefly, the Council might wish exceptionally to accept the Committee's recommendation (*ibid.*, para. 2).

It was so decided.

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* Resument from the 16th meeting.

AGENDA ITEM 2

General discussion of international economic and social policy, including regional and sectoral developments (*continued*)

2. Mr. LOOS (World Bank) said that structural adjustment had been a key instrument of World Bank support for broad policy reforms aimed at correcting macroeconomic imbalances, making more efficient use of resources and creating conditions for sustainable growth in developing countries. Adjustment was inescapable but the adjustment process was complex, country conditions were varied and external support was not always adequate. In many countries, satisfactory results had taken far longer to achieve than expected and steps had had to be taken to protect the poor during the transition period.

3. Successful adjustment depended on the commitment of Governments and on popular support. The World Bank was doing much to improve the policy environment for adjustment by expanding research on adjustment issues, including the Social Dimensions of Adjustment Program, and was strengthening co-ordination with other multilateral agencies and non-governmental organizations.

4. In recent years, reforms supported by World Bank adjustment lending had focused increasingly on promoting a dynamic private sector, which was an effective engine of growth, facilitated the transfer of technology and management know-how and strengthened the country's capacity to adjust to external shocks. However, promoting the private sector called for complementary action by governments to provide a regulatory framework and infrastructure, particularly basic health and education services. Since 1985, IFC had increased its support to private investment by more than 20 per cent a year. The Multilateral Investment Guarantee Agency also worked to encourage foreign private investment flows to developing countries.

5. Since the aim of economic development was to improve the standard of living of poor people, the World Bank had adopted an integrated approach to development designed both to promote growth and to reduce poverty. In the second of those two fields of activity, it was acting in a number of specific sectors.

6. In the sector of education and human resource development, the World Bank was seeking to promote the integration of women in development. During the 1989 fiscal year, about 20 per cent of its loans had gone to projects designed to facilitate such integration, as against only 10 per cent in 1988. One third of its operations in Africa had been for the same purpose.

7. Environmental interdependence had become as much a global issue as economic or financial interdependence. The United Nations Conference on Environment and Development to be held in 1992 would offer an opportunity to design a global policy framework. About 35 per cent of all World Bank/IDA projects contained significant environmental components. The World Bank was helping Governments to formulate environmental action plans, increasing its involvement in regional environmental plans and expanding its research work. At the global level, in association with UNEP and UNDP, the World Bank was exploring the feasibility of a global environment fund which would provide additional concessional funds to help developing countries participate in certain global environmental campaigns.

8. To reverse environmental damage, by which the poor were most seriously affected, action had also to be taken in the demographic field. In many countries, population growth exceeded 3 per cent a year. At present rates, world population by the year 2000 would have increased by 1 billion, of which 900 million would be in developing countries and about two thirds would live in cities. The added pressure on infrastructures and the environment would create a serious constraint on sustainable development. Population issues should receive priority attention in national development strategies. The World Bank intended to increase its lending in the population sector and was strengthening its co-operation with UNFPA and with bilateral and multilateral donors concerned with population issues.

9. International support, particularly in the areas of trade liberalization and debt relief, was critical to developing-country actions to sustain growth and reduce poverty. The World Bank was doing everything it could to help the full range of developing countries, on a case-by-case basis, to cope with their debt problems. During the ninth IDA replenishment, donors had agreed to increase their funding for 1991-1993 to $15.5 billion, which would usefully supplement the World Bank's concessional loan resources and complement the highly favourable outcome of the negotiations leading to the conclusion of the Fourth ACP-EEC Convention, signed at Lomé on 15 December 1989.[1] The resources were, however, still too small in relation to the needs. In 1989, ODA as a share of GNP had been only 0.33 per cent, down from 0.36 per cent in 1988. The World Bank hoped the improvement in East-West relations would result in savings in military expenditure that could be used for development purposes.

10. Recent developments in Eastern Europe would usher in economic reforms and modernization that would inevitably encounter difficulties and require frequent adjustment. In that context, the World Bank would seek close collaboration with EBRD. Specifically, it would help to modernize the industrial and banking sectors, expand the infrastructure, stem environmental degradation and restructure the social sectors. Lending could well reach $7.5 billion over the next three years. The World Bank had established a special research unit to deepen its understanding of the reform process. He stressed that the World Bank's financial support for Eastern European countries would not come at the expense of poorer countries or of any of its borrowers.

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[1] See *The ACP-EEC Courier*, No. 120 (March-April 1990).

11. Mr. LEVITTE (France) said that his delegation endorsed the views expressed by the representative of Italy on behalf of the European Community and its member States (17th meeting).

12. The prevalence of social, economic or financial crises, even in areas that were at peace, was an alarming feature of the modern world. That was the case in many African countries where exports had slumped, increasing the burden of external debt repayment to intolerable levels. Even where, as in the franc zone, stabilized exchange rates and automatic access to reserves limited the deterioration of the external position of member countries, the fall in earnings, government revenues and savings jeopardized their economic and social future. In addition, infrastructures were often out of date, dilapidated or inadequate and development policies failed to deliver the expected results. Until recently, many countries in Latin America and elsewhere had experienced economic and social decline brought about or maintained by inflation and aggravated by the misuse of resources and unduly high indebtedness. Courageous reforms and adjustment programmes had been undertaken and deserved support. In that connection, France had proposed the establishment of governmental machinery to back operations to reduce debts to banks. Everywhere, efforts should be made to use savings to the best possible effect. Real interest rates on world capital markets had risen too steeply during the life of loans. The world's most heavily indebted country should be encouraged to persevere in its efforts gradually to bring its budgetary and monetary policies into balance. Other countries, particularly the indebted countries, should stimulate domestic savings and use them to the best advantage as an essential tool for development financing.

13. With regard to development finance, the aim must be to secure a regular, predictable and appropriate flow of resources. Additional resources would, for example, have to be made available to many developing countries for environmental needs. In that connection, the new facility being put in place in the World Bank would be of crucial importance. The Governments of developed countries could not be the sole source of development finance. A favourable climate should be created for foreign investment and, particularly in most of the middle-income developing countries, local investors could now be expected to play a leading part. The role of sources of development finance, particularly external sources, should be confirmed and the policies needed to maintain them should be defined in the new international development strategy, the foundations of which had been laid by the Assembly at its eighteenth special session, devoted to international economic co-operation. It should now be possible to reach a consensus on the principles of development financing quickly, without further delay.

14. France was already implementing a generous development assistance policy. In 1989, ODA had totalled $5.14 billion, 0.54 per cent of GNP. In the case of the least developed countries, France had almost reached the target of 0.15 per cent of GNP. At its thirty-seventh session, the UNDP Governing Council had decided to allocate 55 per cent of programme resources to those countries, in recognition of their priority claim to assistance. His Government hoped that claim would be affirmed by the multilateral and regional institutions at the Second United Nations Conference on the Least Developed Countries, to be held in Paris in September 1990. The President of the French Republic had stated that all aid to the least developed countries should henceforth be in the form of outright grants. France was also a full participant in the European Community's development efforts symbolized by the successful renegotiation of the Lomé agreements.

15. The problem of external indebtedness was one to which realistic and imaginative solutions needed to be found. If they were not, sustainable development would be unattainable.

16. There had been some favourable developments over the past two years in the case of the poorest countries. Following the Toronto Economic Summit in 1988,[2] the Paris Club had decided that the most heavily indebted low-income countries applying adjustment programmes should be given special assistance to reduce their debt burden. France consistently favoured cancellation of one third of the renegotiated debt of such countries, and its example was beginning to be followed. Other unilateral measures had included the cancellation of the ODA debts of 35 African countries. France was also working to encourage the reduction of bank debts and had supported the establishment of a $100 million debt-reduction facility in IDA.

17. Action had also been taken to help the middle-income countries through the establishment of machinery under IMF and the World Bank, as proposed by France in 1988, to back operations to reduce debt to banks. The first bank debt relief agreements supported by the machinery had been with Mexico, the Philippines, Costa Rica and Venezuela. The Paris Club had recently extended the repayment period of loans to two middle-income countries. Similar action should be taken to benefit other countries, and other options should be explored. His Government had announced that it would set a 5 per cent ceiling on interest on official loans to the so-called middle-income countries of sub-Saharan Africa.

18. As a counterpart to debt relief measures, it was important that beneficiary countries should continue their internal adjustment and reform programmes. Borrowers should borrow only to finance investments that contributed directly or indirectly to economic growth and the development of human resources, which was essential to growth. The UNDP *Human Development Report 1990*[3] demonstrated that the human and economic aspects of development were inseparable and that the economic and social objectives of development were complementary, not competitive. The type of development envisaged by the UNDP expert team, combining economic and social goals, reflected the international community's realization

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[2] See A/43/435.

[3] New York, Oxford University Press, 1990.

of the growing importance of human problems in development. His Government favoured that approach.

19. Mr. OBMINSKY (Union of Soviet Socialist Republics) said that the Council was meeting at a crucial stage in world development. The past year had seen dramatic events of historic magnitude. Much had been done at the political level to overcome world disunity. Antagonisms between blocs and between super-Powers were giving way to co-operative relations. Recent summit meetings, particularly those held in Malta in December 1989 and Washington, D.C., in May-June 1990 between the Presidents of the United States of America and the Soviet Union, had played an inestimable role in that regard.

20. The disarmament process was gaining momentum, making the world a safer place and changing development priorities, moral values and the psychology of people. The sweeping changes could not be expected to take place smoothly or easily but the results were worth the effort.

21. The economic division of the world must be overcome by making the various economic mechanisms compatible and by establishing new structures for interaction. The course of developments in the various regions should be harmonized at a multilateral level. That was called for by the realities of interdependence and the globalization of economic, technological and demographic problems.

22. The eighteenth special session of the General Assembly had been an important milestone along that road. The Declaration adopted in resolution S-18/3 embodied a global consensus on ways to develop international economic co-operation. Solution of the problems discussed at the special session required a new interpretation of the concept of national economic sovereignty in the light of the growing interdependence of internal and external development factors in individual States. In other words, each country should take into account the international implications of its economic policies and was responsible for those policies, both to its own people and to the world community.

23. At the special session, the Assembly had, for the first time, carried out a concerted assessment of the democratic reforms taking place in Eastern Europe. It had expressed its support for the integration of the Eastern European countries into the world economy, in the interests of their peoples and of the rest of the world. It had also reaffirmed the determination of East and West to continue to pay attention to the social and economic needs of the third world, and jointly to support the developing countries' efforts to accelerate their economic growth and development. Translating those principles into practice would require the participation of all countries.

24. The world economy remained unstable and was characterized by persistent trade, monetary and financial imbalances and intensified economic difficulties in many developing countries. Those were due, among other factors, to external debt problems and lack of financial resources for development. A number of donor countries had taken co-ordinated steps, particularly within the specialized agencies, to alleviate the debt burden of the developing countries. The gravity of the crisis nevertheless called for more vigorous approaches, and it was the obvious responsibility of the United Nations to give a political impetus to further efforts in that direction. The work being carried out by Mr. Bettino Craxi, the Secretary-General's Personal Representative on debt, should stimulate the search for generally acceptable agreements. Such agreements could open the way to international negotiations on general principles for debt management, which would allow for practical measures on a case-by-case basis. His country was ready to cooperate with the competent international bodies.

25. During the period 1986-1989, his country had alleviated the debt burden of the developing countries by a total of 14 billion roubles, including 3 billion roubles for the least developed countries.

26. The reduction of military expenditure would be the main source of additional resources for social and economic development. The radical improvement of the world political climate, the settlement of regional conflicts and the termination of the East-West confrontation in the third world augured well for a decrease in the military expenditures of the developing countries themselves.

27. Foreign assistance remained an important source of development funds for many developing countries. Despite the serious difficulties it had experienced during the transitional period, the Soviet Union intended to maintain its assistance to third-world countries. At the same time, it was clear that the major factor in accelerating the development of individual countries was the national effort to modernize the economy, mobilize domestic resources and achieve a fair distribution of the national income. Donor and recipient countries should combine their efforts to use aid more rationally for the benefit of the developing economies. There was reason to hope that the consensus reached at the eighteenth special session of the General Assembly would help build a constructive and ideology-free interaction in that area.

28. In dealing with the problems of development financing, the international community and international organizations would need to make more vigorous efforts to make financial flows more orderly, eliminate unreasonable fluctuations in currency and interest rates, stabilize commodity and energy prices and facilitate the access of developing countries to world markets.

29. In view of the magnitude of the problems facing the world economy, it would be unrealistic to expect them to be resolved within the framework of any single international organization. At the same time, political agreements taking into account the interrelationship of all global problems were necessary to stimulate and coordinate sectoral talks. The activities of the United Nations system aimed at dealing with the consequences of natural, ecological or industrial disasters provided useful experience in that connection. He welcomed the

support given by many delegations to the preparation, at the current session of the Council, of a draft resolution on international co-operation to address and mitigate the consequences of the accident at the Chernobyl nuclear power plant (E/1990/L.21/Rev.1).

30. In general, United Nations activities in the economic field were designed to encourage efforts to ensure the co-ordination and mutual complementarity of all the mechanisms of international economic interaction. In that context, it was essential to avoid the mistakes of the past, such as setting "supertasks" in multilateral economic negotiations or trying to do away with all problems at a single stroke. It was important to promote the "diffusion" of a new global consensus among the various mechanisms for co-operation and to make progress in the areas where favourable conditions existed. The promotion of constructive co-operation among all participants in the multilateral economic dialogue should be one of the main objectives of the debate on enhancing the Council's efficiency in the context of the restructuring of the United Nations economic and social sector.

31. Mr. DUNA (Observer for Turkey) said that, as the world entered the last decade of the twentieth century, an assessment of the world economy would help to give a better understanding of the challenges that lay ahead. That was no easy task at a time of profound changes in national and international economic and political structures, including the reforms in Eastern Europe, which showed that the ideological rifts between East and West were gradually closing, the movement towards regionalization on both sides of the Pacific and the integration efforts of the European Community.

32. The fact that the problems of the developing countries remained unresolved cast a shadow on those major transformations. At a time of increased international co-operation and new institution building, the developing countries presented a particular challenge. While it was difficult to find ready-made solutions, part of the answer might lie in maintaining economic growth at acceptable levels for all countries, developed and developing. It remained to be seen how the pace of world economic growth over the past 40 years (4 per cent a year, with 6.5 per cent growth in trade) could be sustained and to what extent the developing countries could share in the growth.

33. There were three requirements for growth in the developing countries: they must adopt appropriate comprehensive policies themselves; the economic performance of the industrial countries must be maintained; and the international economic system must support the implementation of effective policies in the developing countries and refrain from protectionism.

34. Experience in the past two decades had shown the importance of domestic policies. Structural adjustment was therefore of critical importance to the achievement of development objectives, as was shown by the case of Turkey which, among other measures, had created the conditions for the free play of market forces.

35. With regard to the economic performance of the industrial countries, the latter must avoid regressive policies and resist political pressures for protectionism.

36. The development process was subject to two major constraints: debt servicing and protectionism. For the heavily indebted countries, the development process had slowed in the 1980s and foreign debt repayments were still an obstacle to development financing. It had been shown in many regional and international forums that foreign direct investment—in other words, "non-debt-creating borrowing"—was the only way of resolving that dilemma. However, high interest rates, external imbalances, protectionist pressures, volatile exchange rates and inaccessible international financial markets still created difficulties for the developing countries.

37. The clear divergence between the long-term objectives proclaimed by Governments and the short-term policies they pursued continued. In particular, the international trading system was increasingly threatened by the expansion of protectionism, in the form of unilateral or bilateral arrangements contrary to the spirit of the GATT rules. The Uruguay Round of multilateral trade negotiations offered a unique opportunity to remedy the situation. It was to be hoped that the conclusion of those negotiations at the end of the year would improve access to markets, strengthen and reform existing rules and strengthen the multilateral trading system on the basis of contractual rights and obligations for all participants in the negotiations. A modernized GATT should be able to resist protectionism, unilateralism and other tendencies that eroded the multilateral system. The Uruguay Round was also an important instrument for the integration of new areas such as trade in services, agriculture, textiles and intellectual property into the GATT system. Success in the Uruguay Round would serve the interests of all countries, since the regional trading blocs could not be regarded as alternatives. Economic efficiency and strong economic growth called for liberalization on a worldwide basis.

38. The future of the world economy would also be affected by the way in which the countries of Central and Eastern Europe tackled their difficulties in their effort to establish market-oriented economies and overcome massive environmental problems. No matter how well the adjustment process was managed, the economies concerned would remain fragile for some time to come and require assistance.

39. Development had a social and human dimension of equal importance. His delegation congratulated UNDP on the production of its first report on the subject, *Human Development Report 1990*.

40. Environmental issues now had a recognized place in economic and social development. Extensive use of natural resources, transboundary air and water pollution, industrial accidents and the global movement of hazardous waste were examples of the threat to nature and to man himself. While such problems differed from country to country, there was a general consensus on basic principles for the protection of the environment and the need

for a collective approach. However, the modalities of international co-operation had still to be developed. The development of a global strategy presupposed an international consensus on the definition of the problem, effective policies, institutional arrangements for their implementation and equitable means of financing them. His delegation strongly supported every initiative aimed at protection of the environment. It also considered, however, that environmental considerations should be kept in proportion so as not to distort capital flows or deter investment, thus slowing economic growth and employment-creating activities.

41. It was encouraging that the international community as a whole was prepared to participate in environmental protection and equally encouraging that in international forums like the Conference on Security and Co-operation in Europe, ECE, OECD, WHO, WMO and ILO and, of course, UNEP, stress was being placed on the inclusion of environmental issues in their work programmes with the aim of finding practical and lasting solutions to a major problem affecting the life and future of mankind. The convening of the United Nations Conference on Environment and Development, to be held in 1992, was an important and timely initiative.

42. He was confident that the current session would constitute a major effort to bring the Council's perspectives into line with present-day realities and would be reflected in co-operation for a better world for all.

43. Sir Crispin TICKELL (United Kingdom) said that the representative of Italy had already spoken at the previous meeting on behalf of the States members of the European Community but that, as he was addressing the Council for the last time as his country's Permanent Representative, he would like to make some additional observations on the theme of resources and their implications for the work of the Council.

44. The year 1989 had often been compared with 1848, the turning-point of the nineteenth century which had seen the end of one Europe and the beginning of another. History seemed to be accelerating and opening up opportunities that only recently would have been unbelievable. The rapidity of events was in contrast with the apparently intractable problems confronting many of the poor countries. The political hopes generated by the advent of democracy in Eastern Europe were accompanied by rising alarm about the degradation of the environment. No serious consideration of development in the Council could avoid those questions.

45. In the past, debates on development had suffered from cant and incantation that obscured the realities. Recognizing the reality was not enough. Boldness and imagination were needed in coping with it. Some international bodies were doing so conspicuously well—notably the World Bank in its sobering study of sub-Saharan Africa[4] and, more recently, UNDP, whose *Human Development Report 1990* was an important contribution to redefining language and thinking on development. The latter report brought out the need to fashion the right intellectual tools to deal with development problems. The search for consensus, with its emphasis on the lowest common denominator, could lead to a somewhat stereotyped view of the world. The fashionable vocabulary of North and South, developed and developing, etc., which littered Council and Assembly resolutions, concealed the diversity that existed within and between countries. Problems could not be solved if they were not correctly defined. It was necessary to recognize the uniqueness of every country in terms of its natural resources, geography, history and, above all, culture.

46. According to the report of the World Commission on Environment and Development (Brundtland Commission),[5] the satisfaction of human needs and aspirations was the major objective of development. The *Human Development Report 1990* defined the aim of development as a process of enlarging people's choices. The choice included long and healthy life, education, a decent standard of living, political freedom, guaranteed human rights and personal self-respect. Some countries, poor as well as rich, had obviously been more successful than others in providing that choice.

47. There was no single model of development. Every country had to construct its own. The process of development involved a transformation of the environment which could only be taken so far without endangering the capacity of a country or region to feed and sustain itself. Expansion, migration or help from outside then became essential. The objective must therefore be sustainable development. There was much wisdom on that issue in the Brundtland Commission report and in the World Bank's work on the subject.

48. Growth implied something good, and indeed it should be good. Since the middle of the century, the global economic product had nearly quintupled. Statistics, however, could conceal as much as they revealed, hiding poverty and stressing prosperity. National economic accounts failed to show, for instance, that since 1950 the world had lost nearly one fifth of the topsoil from its crop land, a fifth of its tropical rain forests and tens of thousands of plant and animal species. There was an urgent need for governments to revise their accounting systems so that the real costs of unsustainable development, or running down the capital stock of a nation, were apparent. The results of his Government's efforts to establish the right environmental dimension would be published in a White Paper in the autumn of 1990.

49. There were many difficulties in quantifying environmental costs and benefits. No one had been brave enough to include the cost of environmental damage in the price of energy. There was clearly something wrong when the economic activity generated by the clean-up following a major oil spill was shown as a plus in national accounting systems and no account was taken of

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[4] World Bank, *Sub-Saharan Africa: From Crisis to Sustainable Growth* (Washington, D.C., 1989).

[5] A/42/427, annex.

the environmental damage which had necessitated the activity. He welcomed the call made at a recent meeting of the South Commission in Caracas for an adjustment of GNP statistics to reflect such indicators as pollution and depletion of natural resources.

50. New methods were also needed for measuring human progress. The *Human Development Report 1990* showed that progress could be made by countries with limited resources, depending on the choices made regarding the use of those resources. It was clear, for example, that the less a country spent on arms, the more it would have for human development. As the Italian representative had observed, the military budgets of some countries were considerably larger than their foreign aid receipts.

51. In many ways, the answer lay in good government. Good government enlarged the choices open to citizens and provided means for sustainable development and growth. The absence of good government was sometimes more conspicuous than good government itself. The lifting of the ideological curtain of disinformation which had divided the world for so long had revealed an alarming picture of Governments brought to the verge of bankruptcy, people whose health and self-respect had been badly damaged and countries whose natural environment had been scarred, in some cases almost beyond repair.

52. The Council should rejoice in the exceptional changes the world was witnessing. It should also join in the international effort to ensure the success of the United Nations Conference on Environment and Development in 1992. In that effort the industrial countries carried a special responsibility and would have to set an example as well as help other countries. The problems ranged from local and regional, such as acid rain, to global but limited problems such as the manufacture and use of chlorofluorocarbons, and global and far-reaching problems such as climate change. The problems of acid rain were now soluble with political will. On the question of the protection of the ozone layer, the results of the Conference on Saving the Ozone Layer, held in London from 5 to 7 March 1989, were highly encouraging. Ways of coping with the problem of climate change could be envisaged, even if they remained on the horizon. In the case of the big issues the identification of national as well as international interest was important. Nations must work together because they wanted to, not because they were condemned to do so.

53. On the basis of his experience as Permanent Secretary of the ministry responsible for managing the British overseas aid programme, he considered that aid at its best was a catalyst for the recipient country. Some aid had had marvellous results—from projects which had created the wealth of nations to those which had trained people in science and technology. There had also, unfortunately, been failures and abuses. Governments and economies had sometimes been pointed in the wrong direction. Rickety structures had been propped up. Industrial development had often been preferred to agriculture. One of the saddest aspects of the last few years had been the number of poor countries that now imported rather than exported food products.

54. The biggest problem of the age was, however, the dizzy growth in human numbers which bedevilled almost all aspects of the issues before the Council. It must not be forgotten that there were limits to the number of people the planet could sustain. If man did not do more to manage the problem, nature would do it, in ways that might be very unpleasant.

55. The Council could play a major role in resolving the problems he had mentioned. It was good to hear arguments for the Council's revitalization, but he feared that revitalization would not take place without a significant reform of the activities and functioning of the Council and its subsidiary bodies. The Council could draw on the substantial resources offered by the Secretariat in a multitude of useful ways, for example, as he had indicated, to help refashion the intellectual tools of development, improve national accounting methods, promote the concept of good government and co-ordinate the work of its subsidiary bodies in such areas as population growth, the environment and climate change. But the Council would not be able to achieve much unless, like the people of 1989, it shed much of the bag and baggage it had acquired from the past. It could continue to live in the twilight or come out into the morning of a new and livelier role. The choice was the Council's.

56. Mr. DEESRISUK (Thailand) said that if historians one day wrote that 1990 had marked the beginning of a new era in the annals of the United Nations and of the world, it would largely be because of the Declaration on International Economic Co-Operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, adopted by the General Assembly at its eighteenth special session, in resolution S-18/3. The document was the first comprehensive economic declaration by the United Nations to have been adopted by consensus. In it, Member States had undertaken to promote world economic growth and development in various sectoral aspects, ranging from freer trade to increased resources for development and from environmental protection to technological transfers. They must now ensure that the pledges were not hollow words.

57. The first task was to ensure the success of the Uruguay Round. That was of crucial importance to all countries, both developed and developing, since sustained economic growth could be guaranteed only in a free, fair and orderly multilateral trading system, in which every country could manufacture and sell what it was best fitted to produce, in accordance with the principle of comparative advantage. Nevertheless, a freer trade régime was not in itself sufficient to guarantee the sustained growth of all countries. The growing external debt of developing countries, aggravated by the diminishing flows of development assistance, had brought about a net outflow of resources from the developing countries amounting to more than $30 billion annually. That situation,

which was halting the growth of the most heavily indebted developing countries, was not sustainable. The problem demanded a comprehensive and durable solution consonant with the interests of all parties concerned. That could be accomplished if the international community strengthened the creditworthiness of the debt-ridden countries and afforded them an opportunity to increase their exports with a view to improving their debt-servicing capabilities.

58. While most countries would benefit from freer trade and reduced indebtedness, the least developed countries would still be hampered by special problems and obstacles. The international community was under an obligation to assist those countries in their pursuit of economic progress and his delegation accordingly warmly supported the convening of the Second United Nations Conference on the Least Developed Countries in September 1990. It hoped that the substantial new programme of action for the 1990s would be action-oriented and bold in defining new ways whereby the Gordian knot of poverty could be cut for ever. The least developed countries themselves must also strive to promote their own economic growth by undertaking structural adjustments. In that connection, his Government had provided technical assistance and training to many developing and least developed countries to help them to increase their development capabilities and hoped to increase the quantity and quality of such co-operation.

59. To be sustainable, development must be environmentally sound. To that end, developing countries must have the means of preventing further degradation of their environment and must be provided with the necessary assistance and know-how. His delegation hoped the United Nations Conference on Environment and Development to be held in 1992 would effectively tackle those requirements.

60. Economic growth and prosperity were only the means by which the welfare of peoples could be increased. The international community should give increased attention to social progress and the problems that impeded it. In that context drug abuse was particularly serious since it undermined the social fabric and was capable of wrecking the whole economy. His delegation therefore welcomed the attempt to develop a United Nations System-wide Action Plan on Drug Abuse Control (E/1990/39). Increased emphasis should be given to co-ordination and mechanisms to prevent overlapping among the agencies concerned, and the United Nations drug control bodies should be restructured.

61. The international development strategy for the 1990s should be based on the three pillars of economic growth, social progress and environmental protection, the three interrelated elements essential to a comprehensive approach to development. It should also take account of the objectives set forth in the declarations and strategies already adopted by the United Nations and its specialized agencies. Most important, it should be realistic and practical and contain action-oriented policy guidelines and recommendations that could be readily implemented by Member States.

62. The creation of an international economic environment conducive to growth and development called for the co-operation of all concerned. The States Members of the United Nations had already committed themselves to co-operating in creating a better world. It now remained for them to forge a common sense of destiny so that they could together make the 1990s a decade not of promises but of achievement.

63. Mr. PEJIC (Yugoslavia), after associating himself with the statement made by the Observer for Bolivia on behalf of the Group of 77, stressed that the speed and depth of the transformations in Europe and elsewhere made the past year an exceptional one. The changes had not swept away the old uncertainties, dangers and challenges, but they had raised the hope of a new era in which ideological confrontation and bloc rivalry would give way to joint commitment for solving common problems of world development and even of human survival.

64. The transformations in Central and Eastern Europe paved the way for its reintegration into the European and world economy. Although there might be initial difficulties, the removal of an artificial division and the exposure of a large market to international competition would have a dynamic effect on world growth and development and would in the long run benefit the developing countries. It went without saying that assistance to the East European countries should not be given at the expense of the developing countries.

65. Yugoslavia itself was undergoing a fundamental transformation towards a market economy. Broad reforms undertaken by the federal Government had already produced results. Having embarked at an early stage on the road to reform, Yugoslavia was prepared, in co-operation with other partners, to take up the challenges it would meet in its efforts to contribute to the process of European integration.

66. The changes had underlined the right and need of every individual to be allowed free play for his creativity and entrepreneurship and had imposed on States new responsibilities for the solution of problems that could not be solved by individuals.

67. It was becoming increasingly evident, however, that the positive trends in international political relations, reflected in the intensification of dialogue between the big Powers, progress in disarmament talks and the solution of crises in some areas, were not coupled with equally positive changes in the economic and social field. While there was now a prospect of a new system of international security and stability, the world had made little or no progress in bridging the development gap between North and South which threatened the positive process of increasing global interdependence and might even jeopardize international security and stability. The situation demanded that international economic relations should be accorded high priority in the 1990s. That had been one conclusion of the Ninth Conference of Heads of State or Government of Non-aligned Coun-

tries, held at Belgrade in September 1989,[6] and had been reaffirmed at the First Meeting of the Summit Level Group for South-South Consultations and Co-operation, held at Kuala Lumpur from 1 to 3 June 1990.[7]

68. While the developed countries continued to enjoy sustained growth, the economies of most developing countries continued to lag behind, or at best to mark time. Poverty, hunger, external debt, net capital outflows, rising protectionism, deteriorating terms of trade, the population explosion and environmental degradation had reached unprecedented proportions during the 1980s and were insurmountable obstacles to the growth and development of most developing countries, particularly the least developed. For many years the discussion of such issues had been impeded by one-sidedness. Fortunately, both developed and developing countries had realized that progress was impossible without dialogue and constructive co-operation. In that connection, the outcome of the eighteenth special session of the General Assembly was to be welcomed. Thanks to a great deal of patience and goodwill, a consensus had been reached identifying the key problems and challenges in international relations and the conditions for sustained growth in the developing countries. It might still be too early to evaluate the results of the special session, but a significant step had undoubtedly been made in the direction of a more realistic approach to international economic co-operation.

69. The achievement of the desired goals would depend on improvement of the international economic environment and adequate national adjustment policies. The declaration adopted by the General Assembly at its eighteenth special session (resolution S-18/3) proceeded from the premise that each country was responsible for its own economic development policy in accordance with its own situation. It had been agreed that domestic reforms in the developing countries would be fruitless without the removal of the major obstacles to their growth and development, such as the external debt burden, rising protectionism, high interest rates, financial imbalances, unfavourable terms of trade, the lack of mechanisms for the transfer of technology, and the degradation of the environment.

70. The special session's success lay in the attainment of consensus on the problems posed by the debt crisis and on the need for a global and lasting solution to alleviate the burden of bilateral and multilateral debt. The readiness of some creditors to reduce the stock of debt and its servicing reflected their realization that the debt burden threatened the economic and social life of indebted countries, with repercussions on their growth and development and on world economic and financial stability. In that context, it was necessary to secure additional financial resources to support debt reduction programmes and to devise legal, fiscal and accounting facilities in creditor countries to enable banks to cut back debt. Structural adjustment policies, which had resulted in some alleviation of the debt burden in some countries, should be supported. The countries concerned should not be penalized because of their adjustment efforts. In view of the eight years of sustained growth in the developed countries, it was reasonable to believe that those requirements could be met. The agreed increase in IMF quotas and proposals for the establishment of an international debt reconstruction fund were steps in the right direction.

71. His delegation welcomed the steps towards a follow-up programme to monitor the implementation of the Declaration adopted by the General Assembly at its eighteenth special session. The task would not be easy, since concrete obligations had not yet been assumed with regard to a number of issues, including adequate multilateral co-ordination of economic policies taking into account the interests of all participants in international economic relations, the unimpeded access of traditional developing-country exports to developed country markets, increased net flows of capital to developing countries and specific measures to reduce debt stock and its servicing, mechanisms to facilitate the transfer of science and technology, adoption of a special approach to the problems of the least developed countries, and the use of resources released by disarmament to aid the developing countries. In that context, the United Nations had an irreplaceable role to play and the revitalization of the Council was both necessary and urgent.

72. A new era in international political and economic relations had opened. It offered many opportunities and posed great challenges. The international community must take up the challenges so that all countries of the world could enter the coming millennium with confidence.

73. Mr. RYDER (International Confederation of Free Trade Unions) said that the Confederation welcomed the major political changes that had taken place during the past year in Central and Eastern Europe. The changes had brought freedom to millions of people and markedly improved the prospects of international co-operation in an interdependent world.

74. While the political progress was to be welcomed, it must not be forgotten that the 1980s had been a decade of economic failure, of which working people had borne the brunt. In the industrial countries, unemployment had soared by 75 per cent, while in the third world the development process had been dramatically interrupted. Unemployment was still the primary source of poverty in the world, and the fight against unemployment should be a priority objective of all Governments and of the international development strategy for the fourth United Nations development decade.

75. There should be a renewed commitment by all parties—creditors and debtors—to search for a solution to the debt crisis, which had proved resistant to the successive measures applied against it in the 1980s. There was need for a new global initiative of a qualitatively different kind.

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[6] See A/44/551, annex.

[7] See A/45/303, annex.

76. ICFTU believed that economic and social policy could be successful only to the extent that it embodied effective channels for popular participation in its formulation and implementation. There should be a commitment by Governments to co-operate with independent trade unions and with employers' organizations, based particularly on the principles of freedom of association. It was through the full involvement of the social partners that the social dimension of policy could be made a reality. The need to integrate that dimension into decision-making concerning economies in transition was particularly urgent. At the international level, ICFTU was continuing its efforts to obtain the inclusion of a social clause in the General Agreement on Tariffs and Trade as the most effective way of preventing countries from establishing themselves in international markets on the basis of practices that violated international labour standards.

77. It was a mistake to concentrate, as decision makers had over the past decade, on isolated economic indicators on the assumption that, if they were made to behave as required, everything else would follow automatically. The fight against inflation, which had assumed overriding importance for a significant number of influential Governments, was a case in point. At the present time, as a decade earlier, restrictive monetary policies were the blunt instruments being used to combat inflation. Such measures did not attack the real causes of inflation and were acutely harmful to other policy objectives. Interest rate increases had pushed prices higher while preventing job creation and inducing uncertainty and speculation in international markets.

78. In stressing the need for continuing employment and output growth as the indispensable platform for increased human welfare, ICFTU was deeply conscious of the environmental concerns underpinning the concept of sustainable development. The principle had ICFTU's support, as indicated in the proposals for action on environmental issues which it had published in March 1990 and its sponsorship of the draft resolution on environment, development, employment and the role of ILO adopted as resolution III by the International Labour Conference at its 77th session on 26 June 1990. Without minimizing the role that States must play individually and collectively, ICFTU and ILO concurred with the general principle that the polluter should pay. Unfair environmental practices, like unfair labour practices, must be made unprofitable.

79. There was good reason to hope that performance in the economic and social fields in the 1990s would be better than the excessively modest record of the previous decade. Translating that hope into reality would require a commitment by Governments to the basic principles of democracy, basic rights, social justice and tripartite co-operation that inspired his organization.

80. Mr. CAMARA (Food and Agriculture Organization of the United Nations) said that ensuring that sufficient resources were channelled to agriculture was one of FAO's major concerns. FAO had repeatedly stressed the need for mobilizing both domestic and external resources to attain food and agricultural production targets and improve the living conditions of the rural poor who depended on agriculture for their livelihood.

81. The debt crisis had considerably reduced the possibility of directing domestic and external resources to development. In order to service their debt, many countries had had to divert financial resources from their national development programmes. In 1989, some 27.5 per cent of all the export earnings of indebted developing countries had been earmarked for external debt servicing. For the 19 most seriously indebted countries, the figure had reached 41 per cent.

82. As a result of the problems faced by developing countries in servicing their external debt, their creditworthiness had been eroded and for many of them external sources of lending had dried up. Debt reduction, cancellation and conversion measures had been useful but in overall terms had not been enough to attack the problem at its roots. The links between debt and commodity export earnings remained important, and innovative measures would have to be devised to help debt-ridden countries tackle the problem without sacrificing their development.

83. The developing countries had experienced a dramatic fall in the prices of their major export commodities, most of which were agricultural commodities, and faced increased difficulties in gaining access to developed-country markets, mostly because of protectionist measures. In 1988, the price index of the agricultural exports of developing countries had been 20 per cent lower than in 1980, while the terms of trade of agricultural export commodities had been one third below the 1980 level.

84. Asia and the Pacific were the only developing regions to have increased their participation in world trade in goods. Other regions—Africa, Latin America and the Caribbean and non-oil countries in the Near East—had lost market shares in merchandise trade as a whole and in agricultural trade. The impact had varied from country to country, according to the composition of exports.

85. Sub-Saharan Africa had been hard hit in the 1980s. During 1980-1986, the region's terms of trade had worsened by over 5 per cent a year. The purchasing power of the region's total exports had also declined, by 3.7 per cent a year in 1980-1986 and by 2.4 per cent in 1987, before stabilizing.

86. In the circumstances, it was not surprising that investment in agriculture and related activities had declined and that production capacities had been seriously reduced. Farmers' incomes had plunged, and in many countries rural poverty had increased. Many developing countries had been implementing policies to reduce the fiscal deficit through structural adjustment programmes, which almost invariably led to a contraction of public development expenditure. That should be reversed, at least for capital expenditure on agriculture.

87. It was essential to increase the level and quality of official external assistance to agriculture. Internationally agreed targets for total aid and for external assistance to agriculture were far from being attained. During the 1980s, total ODA had reached only half the target of 0.7 per cent of GNP. The situation was no brighter in regard to external assistance to agriculture. The level in real terms had stagnated during the 1980s after a welcome growth in the preceding decade. Official external assistance remained essential for many poor countries that wished to ensure the revitalization of their ailing economies and the development of their food and agriculture sectors.

The meeting rose at 12.30 p.m.

19th meeting

Thursday, 5 July 1990, at 3.05 p.m.

President: Mr. Chinmaya Rajaninath GHAREKHAN (India)

E/1990/SR.19

AGENDA ITEM 2

General discussion of international economic and social policy, including regional and sectoral developments (*continued*)

1. Mr. TRANT (Executive Director, World Food Council) expressed his condolences to the Government and people of the Islamic Republic of Iran on the suffering caused by the recent earthquakes.

2. Summarizing the conclusions of the sixteenth ministerial session of the World Food Council, held at Bangkok from 21 to 24 May 1990,[1] he said that the Ministers had reviewed progress in implementing the Cairo Declaration adopted at the fifteenth session.[2] They had agreed on additional steps for action towards the four broad goals of eliminating starvation and death caused by famine; reducing malnutrition and mortality among young children; effecting a tangible reduction in chronic hunger; and eliminating major nutritional deficiency diseases.

3. WFC had noted the challenges posed by recent political and economic developments, including the momentous changes in Eastern Europe. At its eighteenth special session, the General Assembly had drawn attention to hunger and poverty as priority concerns. WFC had noted that countries were increasingly in favour of more human-centred development priorities and more effective collaboration and felt that the 1990s would provide a historic opportunity, which must not be lost, to reverse the trend of growing hunger. During the 1980s malnutrition had continued to grow, and the threat of starvation through man-made and natural famine remained unacceptably high.

4. Persistent economic problems, stemming from internal policies and also from external factors such as debt, higher real interest rates, falling commodity prices and protectionism, as well as the growing challenges of increasing population and environmental degradation, dimmed the prospects of reducing world hunger in the 1990s, especially in large parts of Africa, a region for which WFC expressed special concern. The Ministers were confident that, with a greater sense of common purpose, the growing challenges could be met.

5. The members of WFC broadly agreed that most countries needed more human-centred development and growth patterns which were environmentally, economically, socially and culturally sustainable. Moderation of population growth was critical in countries where it was too high to permit sustainable development. A more market-oriented economy, too, would enhance productive energy. WFC had welcomed World Bank and FAO initiatives to provide food-security policy assistance to interested countries and hoped that other agencies and non-governmental organizations would be associated in the effort, thus making full use of complementary capacities.

6. The policy review had pointed to the need for a greater linkage of food strategies with macro-economic policies, and Ministers had endorsed the continuing work of the inter-agency informal group on the impact of economic adjustment on food security and nutrition in developing countries. They had expressed concern about the impact of rapid population growth and environmental degradation on food production efforts and had called for a renewal of the Green Revolution in order to meet the challenge of feeding 8 billion people by early in the next century.

7. WFC had welcomed the greater emphasis on hunger and poverty alleviation in the industrial countries' development assistance policies, while voicing concern that development policy objectives were not backed by ad-

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[1] See *Official Records of the General Assembly, Forty-fifth Session, Supplement No. 19* (A/45/19), part one.

[2] *Ibid., Forty-fourth Session, Supplement No. 19* (A/44/19), part one.

equate resources. Calling for increased aid flows, WFC had emphasized the importance of dealing with wider economic issues such as the debt problem and the need for trade liberalization, better terms of trade and private investment. A number of developed-country members had announced that increased aid to Eastern Europe would not be at the expense of aid to the developing countries. In re-emphasizing the importance of a successful conclusion of the Uruguay Round of multilateral trade negotiations, WFC had called for speedier progress in the trade negotiations, especially in agriculture, and had decided to review the outcome of the Uruguay Round in relation to its food-security implications and other issues covered by WFC's mandate.

8. Ministers had reviewed co-ordination issues at the national and international level, with emphasis on the agencies of the United Nations system. In regard to the United Nations system, Ministers had concluded that WFC's role was more important than ever, and had requested the President and Executive Director of WFC to consult the executive heads of the concerned agencies and the Director-General for Development and International Economic Co-operation on co-ordination issues.

9. The Ministers had been briefed on a preliminary round of consultations on the proposal, accepted by WFC in 1989, for an international agreement on the safe passage of emergency food aid, held with interested United Nations bodies, including FAO, WFP, UNDRO, UNHCR and the Office of the Director-General for Development and International Economic Co-operation. Ministers had instructed the WFC secretariat to continue the consultations and recommended that the Secretary-General should consider seeking the support of the General Assembly at its forty-fifth session for the drafting of an international agreement.

10. The WFC members had also agreed to promote the alleviation of hunger and poverty and the improvement of the human condition as central development objectives in the Second United Nations Conference on the Least Developed Countries, the World Summit for Children and the negotiations to formulate the international development strategy for the 1990s. Developed-country members of WFC would bring the conclusions of the sixteenth ministerial session to the attention of the forthcoming Houston Economic Summit.

11. Mr. AGUILAR (Venezuela) expressed his delegation's condolences to the Islamic Republic of Iran on the tragic losses suffered during the recent earthquakes.

12. During the 1980s, new economic Powers had come to the fore while others had declined. Imbalances and inequalities had increased, the North-South gap had widened, and economic growth had been confined to a small group of developing countries, while the economies of the majority had stagnated.

13. Economic growth had been conditioned by the complex disequilibria of the developed world. The developing countries' strenuous efforts to increase efficiency had come to nothing, because the deficits and surpluses of the main industrial countries had been the decisive influence in international trade relations. It was essential that the recent trend towards autarkic national trade policies and bilateralism should be reversed and that commitments to the gradual elimination of protectionism should be honoured. In that connection, the objectives of the Uruguay Round of multilateral trade negotiations broadly coincided with the developing countries' interests. It was disquieting, however, that the developed countries were applying measures flatly in conflict with the basic principles of GATT. Venezuela would shortly be formally acceding to GATT and after September would participate in the Uruguay Round as a full member. In June 1991 the eighth session of the United Nations Conference on Trade and Development would provide a further opportunity to strengthen the multilateral trade system and equip it to cope with the challenges of the coming decades.

14. The external debt crisis, for which debtor and creditor countries shared the responsibility, had dominated the 1980s. The unbelievably slow movement towards a solution had naturally benefited the creditors, to which Latin America alone had transferred some $250 billion between 1982 and 1989.

15. The effects of the transfer of resources from developing to developed countries had been aggravated by the concentration of international capital and investment flows on the three major industrial economies. In that connection, the Secretariat should be supported in its efforts to establish aggregate criteria giving a true picture of the scale of current capital outflows from the developing countries.

16. One hopeful sign was that multilateral assistance for development had increased in 1989 to $23 billion through the World Bank and $2 billion through United Nations operational activities for development. IMF commitments had risen to $14 billion.

17. As pointed out in the *World Economic Survey, 1990* (E/1990/55), however, it would make more sense to reduce indebtedness than to increase lending. The Brady Plan[3] had not lived up to expectations, but the recently announced initiatives of the President of the United States would be studied with the greatest interest.

18. At the Regional Conference on External Debt, held at Caracas from 18 to 22 June 1990, the members of SELA had considered a Latin American and Caribbean proposal to reduce substantially the transfer of resources from the region (E/1990/100, annex). It called for greater flexibility with regard to commercial indebtedness and joint approaches on official debt in such forums as the Paris Club and OECD and international bodies like IMF, the World Bank and IDB. It also proposed a joint strategy to achieve a positive flow of resources. Venezuela would bring the programme to the attention of the forthcoming Houston Economic Summit.

19. With regard to revitalization of the Council, some progress had been made, basically in procedural aspects

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[3] See *IMF Survey*, vol. 18, No. 6 (20 March 1989), p. 90.

such as early election of the President and officers, consultations on the programme of work and monitoring the state of documentation, but the fundamental transformation required to enable the Council to fulfil its mandate under the Charter of the United Nations had still to be undertaken.

20. Venezuela welcomed the recent changes in East-West relations and supported the Eastern European countries' moves towards integration in the world economy. It believed that financial assistance to those countries should not prejudice existing undertakings to the developing countries. Programmes for the Eastern European countries should be financed from additional resources and kept separate from programmes of assistance to the third world. The world community should ensure that the reduced political tension between East and West fostered an integrated world economic structure in which the interests of all countries, particularly the developing countries, were fully respected.

21. Mr. MOULTRIE (Bahamas) said that the lessening of tension offered fresh opportunities for international co-operation and for turning collective energies to the pressing global problems that continued to affect international economic relations. The reduction of military arsenals offered the potential for additional development assistance resources. While it was agreed that the Eastern European countries should be supported in their efforts to integrate themselves into the international economy, there was a real fear that developments in Eastern Europe might, in the short term at least, result in the diversion of Western finance, markets and investments from the South to the East. The resources of the multilateral financial institutions must be increased so that they could assist the emerging democracies without reducing aid to the developing world.

22. International trade was still the primary tool for growth and development and for many developing countries remained the most significant potential source of foreign exchange earnings. The growing number of regional trading blocs being formed by the industrial countries was therefore viewed with mixed reactions. The blocs must not be allowed to erode the multilateral trading system but should be used to facilitate an increase in world trade, taking account of the needs of the weaker trading partners. Increased and unimpeded access to the markets of developed countries was essential, and developing countries must also increase their capacity to purchase capital goods from the developed countries. A fresh look at the commodities issue was also important.

23. The increased financial resources made available under the Fourth ACP-EEC Convention, signed at Lomé on 15 December 1989,[4] as well as the improvement in the trading régime, with better access for agricultural products, were promising. His Government was heartened by the $4.2 million grant made to it under the Convention to finance projects over the next five years, which would considerably help to support its efforts to develop the socio-economic infrastructure and maintain transport facilities in the less developed and more isolated islands of the archipelago. In recent years, his Government had had to divert scarce resources from other crucial areas to prevent international drug smugglers and poachers from exploiting the territory.

24. There was a case for special support for island developing countries, including increased concessional financing. Their large exclusive economic zones required substantial capital inflows for effective development, and Governments had to face such pressing environmental problems as the adverse effects of sea-level rise, climate change, pollution of beaches, oil spills and the transboundary movement of hazardous waste into their territorial waters. His country welcomed the decision to convene the United Nations Conference on Environment and Development in 1992 as a reaffirmation of commitment to a development process in harmony with the environment. Increased international technical co-operation and funding for environmental issues were needed as well as access to environmentally sound technology at affordable costs. Those in a position to contribute financially must do so.

25. The debt crisis continued to overshadow international economic relations. The resource transfer from debtors to creditors must be reversed to enable developing countries to receive the financial inflows desperately needed to sustain growth and implement development plans.

26. The indebtedness of the Caribbean countries was relatively small compared with the total debt of the Latin American and Caribbean region as a whole, and was not in the forefront for action under such initiatives as the Brady Plan. The Canadian Government's decision to forgive $Can 182 million in debts had brought welcome relief to the affected countries. His Government hoped similar initiatives would be forthcoming.

27. The eligibility criteria for concessional debt relief should be re-examined to make them less restrictive and allow for a longer period of consolidation. The difficulty of achieving stability and growth and the contribution that debt reduction could make to fiscal adjustment and stability should be recognized. There was need also for a more comprehensive and integrated approach to the debt question. Strategies should be broadened to embrace all categories of countries affected by the debt crisis. In that context, the recent call by the Summit Level Group for South-South Consultations and Co-operation for financial experts, acting as personal representatives of heads of State or Government, to discuss the external debt problem and formulate common approaches[5] deserved consideration.

28. His country's efforts towards sustained economic growth and development were, like those of other Governments, often hindered by factors beyond its control. The principal difficulties facing the world economy had,

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[4] See *The ACP-EEC Courier*, No. 120 (March-April 1990).

[5] See A/45/303, annex, para. 12.

however, their origins in human actions and it was safe to conclude that their solutions also lay within the reach of human potential.

29. Mr. KRALIK (Czechoslovakia) said that his country was participating in the international community's efforts to provide disaster relief and assistance to the people of the Islamic Republic of Iran.

30. His delegation welcomed the retreat from confrontation in international relations which, coupled with the progress of the countries of Central and Eastern Europe towards a pluralistic political system, opened up new opportunities for solving many global problems by consensus, for East-West co-operation, and for co-operation with developing countries. Czechoslovakia's position in that regard was based on its geographical position and cultural traditions and on the need to use every opportunity for international economic co-operation. The newly constituted Government was basing its foreign policy on the creation of the unified European standard of human rights within the common legal, economic and security framework. Its willingness to do so was based on its support for ECE, whose future activities should have the ultimate aim of achieving sustainable development through a process of broad integration in Europe. As a contribution to the Helsinki process, his Government was ready to host in Prague the secretariat of the Conference on Security and Co-operation in Europe or other institutions.

31. His Government was alive to its share of responsibility for the fate of other parts of the world and would therefore continue its economic and technical co-operation with developing countries on a mutually advantageous footing and with no political connotations related to the so-called strategy of world socialism. A period of transition would be required since the country's economy would first have to be reconstructed.

32. The comprehensive conclusions on the development of international economic co-operation and revival of economic growth and development of developing countries contained in the Declaration adopted by consensus at the eighteenth special session of the General Assembly (resolution S-18/3) would help significantly in directing international action in the forthcoming decade to the solution of various problems of international economic relations. They were also a major contribution to the drafting of a balanced and realistic international development strategy for the 1990s. The emphasis should be on the course of action to be followed rather than on setting rigid goals of economic growth and development.

33. Two issues of crucial importance were the foreign debt burden, for whose solution effective measures should be worked out and respected by all groups of countries, and the preservation and strengthening of the multilateral trading system to facilitate trade liberalization and increased market access for developing-country exports. Together with the development of human resources, access for the developing countries to advanced technologies was a key issue for their fuller integration into the world economy.

34. His delegation hoped that the Second United Nations Conference on the Least Developed Countries would give impetus to the joint search for effective solutions for the socio-economic difficulties of those countries, which continued to deserve special attention.

35. With respect to protection of the environment, his delegation hoped the United Nations Conference on Environment and Development to be held in 1992 would represent a fundamental breakthrough. He was convinced that the joint efforts of the international community could find a way of harmonizing economic and environmental interests in a manner that would satisfy all groups of countries, would not hamper economic development and would protect the environment. It attached particular importance to the advanced countries' undertaking to create additional funds for the implementation of projects aimed at achieving sustainable economic development, above all in the developing countries.

36. The United Nations should adjust its activities to the profound changes taking place in the world. The Secretary-General's report on revitalization of the Economic and Social Council (E/1990/75) was a good basis for continued dialogue on that question.

37. His Government fully recognized the validity of the relationship between market economy and political pluralism based on free and democratic elections, on an effective and just legal system and on respect for human rights. The newly constituted Government was determined to implement a set of measures for creating a non-inflationary environment conducive to price liberalization. Gradual privatization and stimulation of the private sector, together with the restructuring of the national economy, should create the necessary conditions for the country's reintegration into the European and world economic system. His country had taken an active part in the establishment of the EBRD and had applied for membership of IMF and the World Bank. It aspired to observer status in OECD and had entered into constructive dialogue with the European Community and EFTA countries. Those developments would no doubt strengthen its role as a dynamic trading partner, a prospective market and a source of technology for developing countries.

38. Mr. VU Xuan Truong (Observer for Viet Nam) expressed his delegation's condolences to the delegation of the Islamic Republic of Iran on the loss of life and property caused by the recent earthquake.

39. The world had entered a new decade of greater opportunities and challenges for all countries, particularly the developing countries. During the past decade, the developing countries had experienced their lowest economic growth rates and had been beset by debt burdens, inflation, high interest rates, low export earnings and low investment rates, all leading to a widening gap between developing and developed countries. The economic situation in the least developed, low-income and heavily indebted countries was even worse, with declining per capita income in many of them.

40. The external debt burden was incontestably a major cause of the development failures of the previous decade and further effort was urgently needed to find a long-term solution. In working towards the socio-economic development of developing countries, a number of considerations should be borne in mind. First, a developing country's development strategy should be based on increasing interdependence and broader international division of labour combined with independence and sovereignty. Secondly, the international community should do more to end the coercive economic measures used by some developed countries against many developing countries, including economic blockade, embargo and trade discrimination. Thirdly, greater efforts should be made to restructure existing international economic relations with a view to the gradual establishment of a new international economic order. Fourthly, the competent organizations and specialized agencies of the United Nations should give priority to assisting the developing countries in the search for global solutions to such questions as foreign debt, population and the environment, in which the developed countries should bear the greater share of responsibility. Lastly, the attainment of peace, national independence and socio-economic development called for the concerted efforts of all mankind.

41. Over the past three years, Viet Nam had put into effect a policy of renovation in all fields. Economically, the core of the policy was to develop a market economy with macro-level planning. Currently, all economic sectors enjoyed equally favourable conditions for development and the full potential of the people was being mobilized. The investment and production structures had been renovated and priority given to three programmes: the production of food and foodstuffs, the production of consumer goods, and production for export. At the same time, other industries, including energy and infrastructure, were to be developed to support those three programmes. The old mechanism of management based on subsidies and an administrative bureaucracy had been abolished and replaced by market-economy management with macro-level planning, based on economic leverage such as fiscal and monetary policy. All producing and trading enterprises were fully accountable for their activities and encouraged to make the best use of the creativity of their labour force, expand the specialization of production and co-operation among themselves and link their production with domestic and foreign markets.

42. A number of important initial achievements had been recorded. Since 1989, Viet Nam had passed from being a food grain importer to a net exporter of rice, ranking third among the world's major rice exporters. In 1989, inflation had been brought down to 2.8 per cent a month and prices since then had been fairly stable.

43. Viet Nam was fully aware of the significance of the international division of labour and the interdependence of the world economy and was doing and would continue to do its best to expand external economic relations on the basis of equality and mutual benefit, regardless of social and political systems. In the past two years, since the adoption of the Law on Foreign Investment, licences had been issued to 100 joint ventures and foreign enterprises with an investment capital of more than $800 million. The trade balance had improved considerably and external economic relations had been increasingly expanded and diversified. However, Viet Nam continued to confront many difficulties as a result of the still low level of development, poor infrastructure and a high rate of population growth, together with the ongoing blockade and embargo.

44. Viet Nam was determined, nevertheless, to continue its policy of renovation. Its door was open to any country which wished to co-operate with it and to all international organizations.

45. Mr. AMOO-GOTTFRIED (Ghana) said that, for most developing countries, economic stagnation and retrogression, combined with natural and man-made disasters, had caused a serious erosion of social and economic conditions. In the case of Africa and Latin America, that state of affairs had given rise to social and political upheavals, sometimes with devastating consequences for the peoples concerned. Although the causes of that situation had been identified, the international community had not done enough to address them. The developing countries therefore continued to suffer from diminishing export earnings owing to the fall in commodity prices, negative resource flows and rising protectionism. Ghana's economy was normally sustained by the sale of cocoa, timber, coffee and gold on the international market. As long as it received good returns for those products it had been able to support its development programmes. Unfortunately, that had not been the case in the past few years. It was estimated that Ghana had lost over $600 million in 1988-1989 through the sharp fall in the price of cocoa alone. For a fragile economy such as Ghana's, a $600 million loss was a major catastrophe.

46. More than 30 African countries were currently engaged in a difficult process of structural adjustment with the support of IMF and the World Bank. Recognizing the need to come to grips with problems of internal economic management, those countries had taken up the challenge with determination and adopted wide-ranging reforms to enhance long-term growth. Notwithstanding the major reform efforts that had followed the adoption of the United Nations Programme of Action for African Economic Recovery and Development, 1986-1990, the financial resources needed to support the programmes were still hard to find. Adequate international resources should be mobilized without further delay.

47. The external indebtedness of the developing countries in general was currently estimated at almost $1,200 billion. Those external debts had imposed severe economic and social hardship on the countries concerned, making it impossible for them to undertake the required level of investment in the social sector. For example, it was estimated that in sub-Saharan Africa overall primary school enrolment had fallen from 80 per cent to 75 per cent between 1980 and 1987, while dollar resources for education had fallen by 50 per cent. It was essential,

therefore, to find an urgent and lasting solution to alleviate the debt burden of all developing countries, whether bilateral or multilateral.

48. At the Council's second regular session of 1989, his delegation had stressed the gravity of the problems facing the African region especially and the need to address them with far more urgency than over the previous decade.[6] At the start of the 1990s, there was a very real danger that, unless multilateral and bilateral support for African development increased substantially, the gap between Africa and the rest of the world would continue to widen beyond repair, with incalculable consequences for those countries and the world as a whole.

49. His delegation had noted with appreciation the decision of some bilateral official lenders to write off part of the debt owed to them by the poorest developing countries but believed that, in order to mitigate the African economic crisis, the international community as a whole would need to augment its support for African efforts considerably, through substantial increases in financial flows, including the remission of debt, trade liberalization and measures to stabilize commodity prices. A successful Uruguay Round of multilateral trade negotiations would also encourage the global process of trade liberalization.

50. His delegation shared the concern that had been expressed about the ever-increasing threat to the environment and the degradation in the quality of life of mankind as a whole. In the developing countries, poverty had been identified as both the cause and the consequence of environmental problems. It followed, therefore, that to ensure a clean and safe environment free from ecological disaster there was an urgent need to eliminate poverty from the developing countries. His Government, while pursuing a vigorous economic recovery programme, had also instituted measures at the national level to protect the environment. A national Environmental Protection Council had been established with overall responsibility for balancing the demands of economic development and the need to protect the country's natural resources and environment. In the past few years, measures had been instituted to confront such environmental problems as deforestation, bush fires and the uncontrolled felling of trees for fuel.

51. Although the policies of individual countries at the national level could make a positive contribution, they were unlikely by themselves to arrest the deterioration, since many developing countries were financially weakened by the current international economic régime. The international community, therefore, would have to devote more resources to tackling environmental problems.

52. Much had been said by previous speakers about the far-reaching changes of recent months. The past year alone had witnessed positive developments not only in East-West relations and in Central and Eastern Europe but in southern Africa, with the independence of Namibia and the release of Mr. Nelson Mandela, Deputy President of the African National Congress, after 27 years' imprisonment. Those changes gave some grounds for optimism about the ability of the international community to face the challenges of the day.

53. Though the changes he had referred to were chiefly political, they would undoubtedly have implications for world economic arrangements. The developing countries hoped that the international community would muster the necessary political will to ensure their integration into the emerging global economy. It might be the only chance to do so. Only by so doing, however, and thus ensuring the social and economic well-being of all peoples, could the international community hope to achieve peace and progress for present and future generations.

54. In conclusion, he wished to extend to the Government and people of the Islamic Republic of Iran the heartfelt sympathy and condolences of the Government and people of Ghana on the recent earthquake. His delegation hoped that the display of international solidarity and support in the Council and in the Islamic Republic of Iran would help in some measure to alleviate the suffering of the bereaved families.

55. Mr. GHEZAL (Tunisia) associated his delegation with the condolences extended to the Government and people of the Islamic Republic of Iran.

56. The speed and scope of the changes in the international landscape had opened up heartening prospects for freedom and democracy in large parts of the world. The ideological debate having lost its purpose and regional conflicts having been shown increasingly to be absurd, the challenge still facing the international community was that of development and the fate of the developing countries.

57. The upheaval that had taken place at the end of 1989 in the countries of Central and Eastern Europe and in the Soviet Union had demolished the wall between East and West but had made it clearer than ever that the boundary line now lay between the rich developed world and the poor developing countries. It would be a tragedy if the international community failed to bridge that gap. International security and the welfare and progress of mankind would not be strengthened or made secure by marginalizing the South instead of the East.

58. In that context, the Declaration adopted by the General Assembly at its eighteenth special session (resolution S-18/3) constituted a milestone. It had made it possible to renew the dialogue between North and South and, by stating principles and guidelines for building the future of all mankind, offered encouraging evidence of a new common political will to ensure that the separation did not persist. The Declaration rightly stressed that, in order to revitalize economic growth and development in the developing countries, international economic co-operation must be based on mutually beneficial interdependence and implied the creation of a world economic environment more favourable to development and thus more stable and predictable. To that

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[6] See *Official Records of the Economic and Social Council, 1989, Plenary Meetings*, vol. II, 24th meeting.

end, international action should be directed towards global, regular and structured co-operation making it possible to reap all the advantages, in accordance with the specific interests of each country and on a basis of shared responsibility, of inevitably deepening interdependence, the growing globalization of the world economy and the rapid integration of production, financial, commercial and information systems.

59. The Declaration provided a basic framework in that regard. However, it would only come fully into play and respond to the hopes it had raised if the major international meetings already planned, starting with the elaboration of a new international development strategy and culminating in the United Nations Conference on Environment and Development in 1992 and an international meeting on population in 1994, were regarded as stages in its implementation and used to translate its aspirations into reality.

60. The Declaration, as the Secretary-General had noted in his opening statement (16th meeting), stressed the central role of the United Nations and therefore of the Council in harmonizing and strengthening international economic co-operation. In his delegation's view, that meant that the many forms of multilateral economic co-operation must be intensified so as to reach the level of the bilateral and interregional co-operation, recently given new impetus, between the industrial market economies and the countries of Central and Eastern Europe and between the countries of the Arab Maghreb Union and the EEC as well as between developed North America and Latin America.

61. The *World Economic Survey, 1990* (E/1990/55) contained a penetrating analysis of the economic situation in the 1980s and the short- and longer-term prospects. It brought out the relationship between certain parameters, the short- and long-term consequences of which for the world economy and the economies of the developing countries might with advantage have been further developed, in so far as the form of the *Survey* permitted. It emphasized that, in 1989, the world economy had continued to develop on the parallel lines on which it had progressed since virtually the beginning of the decade, meaning growth in some countries but stagnation in many others.

62. The 1980s had also witnessed sustained and even "unexpected" growth in world production. However, that growth had been less than in the 1970s, showing that the growth of the world economy depended on the growth of the economies of the developing countries.

63. The flow of resources for development, and the external indebtedness of the developing countries over the past 10 years and more, were those countries' major concern as they struggled to revitalize their economic growth and development and thus help to ensure the viability and permanence of the growth of the world economy. However, the steadily increasing outflow of financial and real resources from the developing to the developed countries continued. He noted, in that connection, the comment of the Administrator of UNDP in his statement to the Council that it did not help the cause of human development if external flows turned negative (17th meeting, para. 48). For example, Tunisia, which was a medium-sized country, reported a negative financial flow of about 0.2 per cent a year of its GNP, with the proportion increasing by 15 to 20 per cent each year. If effective measures were not taken to rectify that situation, the transfer of financial resources from the developing countries would reach the celebrated target of 0.7 per cent of GNP, which had of course been set for precisely opposite reasons.

64. At the same time, it could be observed that Western Governments were making financial commitments to the countries of Central and Eastern Europe and the Soviet Union on a scale that, only a few months previously, would have been regarded as utterly inconceivable. In other words, immense financial capacity did in fact exist. One could but recall, in that context, the considerable difficulties that had attended the negotiations leading to the adoption of the United Nations Programme of Action for African Economic Recovery and Development 1986-1990. In spite of the modest scale of Africa's legitimate claims, the industrial countries had only been willing to enter into extremely limited commitments, which had not in fact been honoured. For their part, the African countries had demonstrated the seriousness of their own undertakings by adopting drastic structural adjustment policies at the cost of considerable sacrifices for their people and at the risk of their political and social stability.

65. His delegation welcomed the decision to increase the capital of IMF by $60 billion, which should be appropriately allocated to meet the needs of the developing countries, whose external debt currently exceeded $1,300 billion. In spite of the recent cancellation of the debts of some African countries, on the initiative of a neighbouring country to Tunisia, to which he paid tribute, the problem of the debt arrears of a dozen developing countries remained unsolved. In line with its unwavering constructive approach to major international problems, Tunisia had, both in its own name and, during the first half of the current year, as president of the Arab Maghreb Union, repeatedly called for a dialogue between the developing and developed countries, both at the universal level of the United Nations system, particularly the General Assembly, and at the bilateral and regional levels, specifically with the European Community and West European countries. In the upshot it had proved possible to enter into discussions and establish virtually permanent consultation at the various levels on the problems of external indebtedness and financial resource flows, including direct foreign investment, and on all other factors which might contribute to the creation of a "co-development zone" in the Mediterranean on the lines suggested by the President of the Republic of Tunisia—a proposal that had been received with interest by its European neighbours. He paid tribute in that context to the Government of Sweden, which had been the first country with which Tunisia had signed a debt serv-

ice recycling agreement in the form of credit conversion in local currency.

66. The challenge facing the international community was strikingly illustrated by three sets of figures: two thirds of a billion human beings in Asia were living in absolute poverty; in the past decade per capita income had regressed by 15 per cent in Latin America and by 30 per cent in Africa. It was unthinkable that Asia, Latin America, Africa and the entire international community should allow a repetition of such a fate for the peoples of those three regions.

67. Mr. STIGLICH BERNINZON (Observer for Peru) expressed his delegation's sympathy with the Government and people of the Islamic Republic of Iran.

68. The new complex configuration of international relations was accompanied by political changes in some areas of the world in the direction of democratic pluralism and the rise of economic blocs that were disrupting established patterns of development, trade, finance, technology and protection of the environment. The tendency to universalization of economic problems and the growing interdependence between States made it imperative to re-examine development strategy options for the third world and called for a substantial change in the political will of the industrial countries to enable the developing countries to break out of the restrictions imposed on them in the economic and social fields by both external and internal factors. That effort would call for effective co-operation to deal with the problems of extreme poverty and social marginalization and a return to the humanist concept of development, which set the satisfaction of the basic necessities of man in his social context as the first priority for the international community. It was essential to seek ways and means of ensuring a fuller representation of the third world in the new international economic order based on a qualitative change in the international environment, making it possible to adapt national productive structures to the new trends in trade and to underpin sustained growth, improved living standards and a just distribution of incomes in the developing countries.

69. His delegation regarded the Declaration adopted by the General Assembly at its eighteenth special session (resolution S-18/3) as an important basis for defining the institutional changes and arrangements necessary for consensus in the pursuit of development. It was indisputable that the responsibility for making the changes demanded by development fell upon each individual country in accordance with its specific political and social particularities, but it was equally certain that development was not an isolated process but was conditioned by the regional and world context. From that point of view, integration was a valuable means of stimulating the capacity of response of developing countries to facilitate their competitive incorporation into the new world economic order.

70. The formulation of the international development strategy for the fourth United Nations development decade must provide a concrete basis to ensure that the agreement achieved in the adoption of the Declaration became a reality through the use of efficient mechanisms providing substantive support for the efforts of individual countries. In the field of finance, it would be necessary to create appropriate conditions to reverse the current negative transfer of resources, which had meant that the third world had already repaid several times over the sum originally borrowed. A comprehensive and lasting solution must be found to the problem of external indebtedness, taking account of the social dimension in the developing countries, the recent initiatives to reduce the capital amount and servicing of debts, and their real value on secondary markets. Combined with an adequate flow of resources to the developing countries to enable them to meet their financial obligations, there should also be a guarantee of wider access to international markets for their products. That could only be achieved by effective concessions agreed at the multilateral level, particularly in the Uruguay Round, and by a real dismantling of protectionism, thus opening the way to raising the level of employment and increasing the exports of the developing countries.

71. The new international division of labour turned increasingly on the application of technological innovation, which had resulted in a new form of dependence that required adequate transference of technology to meet the real needs of developing countries and contribute to development of their internal capacity. The preservation of the environment and its relation to objectives of balanced growth likewise deserved attention. The industrialization of the third world must not result in a transfer to it of industries that polluted the environment. Moreover, international agreements on the environment must take into account the need to respect the sovereignty of each State in deciding on the use of its natural resources within a framework of environmental preservation, a process in which the major responsibility fell upon those who were the chief generators of environmental pollution.

72. To meet the challenge of the new decade a new concept was required of security, which must transcend the purely military and embrace all factors making for harmonious relations and the growth of States. There could be no peace without development, and without peace development was unattainable.

The meeting rose at 4.55 p.m.

20th meeting

Friday, 6 July 1990, at 10.10 a.m.

President: Mr. Chinmaya Rajaninath GHAREKHAN (India)

E/1990/SR.20

AGENDA ITEM 2

General discussion of international economic and social policy, including regional and sectoral developments (*continued*)

1. Mr. OUDOVENKO (Ukrainian Soviet Socialist Republic) said that the Council's current session was taking place at a very special moment in world history. A developing dialogue was taking the place of confrontation and there was hope that, once having recognized their responsibilities, countries would succeed in solving the various problems facing the world. The recent summit meeting between the representatives of the United States of America and of the Union of Soviet Socialist Republics had done much to improve the international political climate. Mention should also be made of the events currently taking place on the European continent, which weighed heavily in the balance of world political and economic life. The countries of Western Europe were continuing to work towards integration and it was to be hoped that the changes being brought about by the peoples of Eastern Europe, who were engaged in transforming the political and economic structures of their countries, would make it possible to bring stability and security to the European continent. He believed that those changes could and should play an important part in building the "common European home", a new home in which blocs would be banished and the development of co-operation would be promoted, particularly in the economic sector, not only among the States of the region but between them and the developing countries.

2. In many parts of the world, the standard of living had risen hardly at all in the past 10 years and was still extremely low. The situation was particularly critical in the developing countries, which, because of their technological backwardness, had not succeeded in attaining an adequate level of competitiveness or of integrating themselves into world economic life. Their worst problems were the lack of resources for development and indebtedness which weighed more and more on their economies. To solve those and many other problems, he believed that the quality of inter-State co-operation must be changed and adapted to the new realities of the world.

3. The eighteenth special session of the General Assembly had marked an important stage in the way in which economic problems were approached. The Asssembly had considered a whole range of questions relating to international economic co-operation and adopted a Declaration in resolution S-18/3 which reflected a new consensus on the development of international economic co-operation in the interests of all States. In that Declaration, States recognized that there was a relationship between the positive development of international relations, wide-ranging political and economic reforms and the integration of the world economy. In his delegation's view, one of the most important passages in the Declaration was paragraph 35 calling for support for the efforts of the East European countries to carry out radical economic reforms and indicating that they should be integrated into the world economy and the international economic system. He hoped that, as the observer for Bolivia on behalf of the Group of 77 had said (17th meeting), the Declaration would open a new era in United Nations economic activities.

4. External indebtedness was one of the main impediments to the economic development of the developing countries. The Member States of the United Nations, its various organs and the international agencies which had been dealing with the problem for several years had reached the conclusion that the accumulated debt could not be repaid according to the terms that had been set by the lenders. In the view of experts, only a considerable reduction in the debt would enable the debtor countries to escape from the vicious circle of dependence on other countries. He believed that the debt problem was inseparable from the other problems of international economic relations, such as the fall in commodity prices, fluctuations in exchange rates, protectionism and trade barriers, and that in order to solve it those problems must be tackled as a whole.

5. The Ukrainian SSR attached great importance to the regional aspects of international economic co-operation and was particularly interested in ECE. At the forty-fifth session, member States had expressed the view that plans must be made to restructure the activities of ECE, which would be called upon to play an important part in integrating the countries of Eastern Europe into the world economy. The participants had expressed the hope that ECE's role would be strengthened, on the grounds that it was one of the institutions which would make it possible to build a new Europe. He hoped that the working group set up at the session to review ECE's activities in the light of the new situation in Europe would help to strengthen economic co-operation in the European region.

6. The Ukrainian SSR had recently embarked on a complex process of economic restructuring. Despite ma-

jor reforms, it had not yet been possible to raise the standard of living of the population. The recently elected Supreme Soviet of the Republic and the Government believed that the management of the economy must be decentralized and more emphasis placed on self-management and economic autonomy. The Ukrainian SSR was currently going through a transitional phase, which would transform its economy to a market economy. That new policy would undoubtedly allow better use to be made of the productive apparatus and a better balance to be achieved in regard to consumption.

7. The Ukrainian SSR's economic difficulties were due in large part to the economic and social after-effects of the accident at the Chernobyl nuclear power plant. The problems resulting from it were far from having been solved. The Ukrainian SSR hoped, therefore, that the international community would co-ordinate its efforts to help it to overcome the consequences of that terrible tragedy. That was why it had been one of the countries requesting that the question of international co-operation in the elimination of the consequences of the accident at the Chernobyl nuclear power plant should be included in the agenda of the session. He was glad that intensive consultations were taking place in an attempt to prepare a draft resolution on the question that could be adopted by consensus.

8. Mr. BODDENS HOSANG (Netherlands) said that the rapid and fundamental changes currently taking place in both the political and the economic area were of great importance in that they had created the opportunity for what had only recently still been a dream: the creation of a more peaceful and prosperous world. All countries were participating in varying degrees in that revolution—the most peaceful of recent history—manifesting itself in an explosion of freedom and democracy. That process, taking place simultaneously in Eastern and Central Europe and in the Soviet Union, had reached its culmination in the unification of the two Germanies. It was to be expected that the developments in Eastern Europe, which would have an impact on the rest of the world, particularly the developing countries, should attract the attention of the international community and of the Economic and Social Council although similar encouraging changes were taking place elsewhere. Thus, in many developing countries it was increasingly recognized that genuine and sustainable development could not be achieved unless the people themselves gave their full and active support. Lastly, the changes also affected the industrialized countries, since they might perhaps end the quasi-religious faith in market forces as the only recipe for growth. That brief review showed, first, that no country would remain untouched by the process of change and, secondly, that the evolution taking place was leading to an unprecedented degree of convergence in political and economic thinking.

9. How could the United Nations help to sustain those processes in the countries where they were currently under way and what could it do to ensure that all countries and peoples benefited from those changes? How could it grasp the opportunity that was offered to create peace and security and economic and social progress for all?

10. First, the management of interdependence must be strengthened and a strong international public sector created which could, where necessary, correct market processes and prevent the uncontrolled concentration of economic power. The sector would act against the degradation of the environment, ensure the equitable distribution of resources and provide a minimum international social protection against poverty.

11. Secondly, the intergovernmental structures in the economic and social fields and their secretariats needed to be adapted and reoriented to the changing needs of member States. Now or never was the time to improve the effectiveness of the United Nations in the economic and social fields and to avoid overlapping. What was needed was the political will and courage to start the process. He hoped that the Secretary-General would present innovative ideas and recommendations in that connection to the General Assembly at its forty-fifth session.

12. Thirdly, there should be a further strengthening of the operational activities of the United Nations and of the co-ordinating role of the Director-General and the resident co-ordinators at the field level. In his view, operational activities should be concentrated in areas such as human development or the creation of the socio-humanitarian conditions for the success of the process of structural transformation, enabling Governments to develop their own capacity with regard to education, population policy, primary health care, a better role for women and human settlements.

13. His delegation was anxious to see the report of the Secretary-General's Personal Representative on debt, Mr. Bettino Craxi.[1] For many developing countries, external indebtedness was one of the major obstacles in the way of improving living standards. The debt issue was an integral part of world-wide economic relations and should not be seen, as too often it was, as a purely financial and technical problem. Efforts to bring about solutions for the problem had fallen short so far because of the lack of additional funds. Innovative approaches were necessary and the stock of debt and debt service should be further reduced in order to bring them more into line with the capacity of the countries concerned to pay. Moreover, that capacity should be increased by trade liberalization measures and by an adequate level of development assistance. In that connection, he stressed that assistance to the countries of Eastern Europe and the Soviet Union should not in any way detract from assistance to developing countries.

14. In the case of the highly indebted countries—mainly in Latin America—the Brady Plan,[2] which had been implemented in Mexico, the Philippines and Costa Rica, offered the best prospects. It was to be hoped that the reduction in military expenditures would make it

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[1] A/45/380, annex.

[2] See *IMF Survey*, vol. 18, No. 6 (20 March 1989), p. 90.

possible to devote more resources to economic and social development of the developing countries.

15. In the case of the low-income countries, mainly in Africa, the debt issue was strongly interwoven with development problems in general. Concessional flows of considerable magnitude would be needed. The international community had taken steps in that direction with the IMF's Enhanced Structural Adjustment Facility and the World Bank's Special Programme of Action for Africa. It should be emphasized, however, that efforts to solve the debt problem must go hand in hand with the reform of domestic economies.

16. In conclusion, Mr. Boddens Hosang said that a ministerial conference had recently been held in Maastricht, the Netherlands, from 2 to 4 July 1990 to discuss the problems of Africa. That conference, which had been organized in co-operation with ECA and the World Bank, had resulted in constructive and productive conclusions. He was confident that those discussions, in which almost all African Governments and the major donor countries had taken part, would play a catalytic role in further stimulating global co-operation with the African continent.

17. Mr. ELIASSON (Sweden), speaking on behalf of the Nordic countries, said that over the past year great changes had been taking place in the world, changes which, on the whole, had been positive: tension between the great Powers had eased, and the countries of Central and Eastern Europe had taken steps along the road to democracy. But some third-world countries were continuing to arm, and there existed, at the local or regional levels, many causes of instability and conflict. The *Human Development Report 1990*[3] published by UNDP was correct in stating that the positive changes brought about through the combined effect of domestic efforts and international development co-operation still had far to go and that much remained to be done. The report rightly stressed that human resources development should be given top priority in the 1990s and that one of the essential conditions for human development was respect for human rights.

18. The entire world was becoming increasingly interdependent: poverty problems in the South, environmental hazards, flows of refugees and displaced persons fleeing from regional or national conflicts, the debt crisis, trafficking and abuse of drugs and the AIDS pandemic were further problems whose international proportions called for commensurate concerted action. The General Assembly, at its eighteenth special session on international economic co-operation, had adopted by consensus a Declaration, in resolution S-18/3, which recognized that the current climate was definitely more positive for such co-operation. The commitments in that Declaration should all be followed up and should guide the preparation of the next international development strategy. The Second United Nations Conference on the Least Developed Countries, to be held in Paris in September 1990, and the first session, at Nairobi in August 1990, of the Preparatory Committee of the United Nations Conference on Environment and Development, would show whether Governments really intended to negotiate and make progress along the lines set out at the eighteenth special session.

19. The member States of ECE had met at Bergen, Norway, from 8 to 16 May 1990 to consider the follow-up to the report of the World Commission on Environment and Development (Brundtland Commission).[4] The Ministerial Declaration adopted on that occasion[5] constituted a major contribution by the ECE countries to the United Nations Conference on Environment and Development to be held in 1992. The Bergen Declaration firmly stressed the industrialized countries' responsibility for increased financial assistance and the transfer of environmentally sound technology to the developing countries. In the same Declaration, the ECE countries had committed themselves to reducing emissions of pollutants in their own countries. The parties to the Montreal Protocol on Substances that Deplete the Ozone Layer met in London from 27 to 29 June 1990 and had agreed to establish a financial mechanism to mobilize additional resources and to seek wider accession to the Protocol. The constructive spirit shown during the meeting augured well for the outcome of the negotiations to be opened shortly with a view to drawing up a climate convention.

20. For many developing countries, indebtedness remained one of the major obstacles to the resumption of sustainable growth and development. The Nordic countries broadly supported the idea of an international debt strategy; but such a strategy would succeed only if the debtor countries had the commitment and capacity to implement sound economic policies and if the donor countries and multilateral institutions provided them with enough resources. Sadly, there was no denying that, despite some progress and the adoption by some countries of structural adjustment programmes, which were indeed necessary, in many countries practically no improvement could be seen.

21. For the seriously indebted low-income countries the appropriate bodies should review and, where necessary, strengthen the existing debt relief mechanisms. Multilateral creditors, including IMF, should play their full role in that regard. With regard to middle-income debtor countries, the Nordic countries were prepared, in the context of the Paris Club, to consider longer grace and repayment periods on a case-by-case basis. However, the commercial banks ought to back up the efforts of official creditors to help middle-income countries and accept the principle of buy-back of non-guaranteed commercial debt, in line with the Brady Plan. For that purpose, the new buy-back facility which the World Bank intended to set up should be made operational soon.

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[3] New York, Oxford University Press, 1990.

[4] A/42/427, annex.

[5] See A/CONF.151/PG/10, annex I.

22. It was up to the developing countries themselves to create a domestic climate favourable to savings and investment, from which most of the resources needed for development would come. In the meantime, ODA would have to play a greater role because of the sharply reduced levels of bank lending and direct foreign investment. It was discouraging to note, therefore, that the target of 0.7 per cent of GNP, adopted more than 20 years earlier and reaffirmed, through the Nordic countries' initiative, by the General Assembly at its forty-third session (resolution 43/197) and again at its eighteenth special session (resolution S-18/3, para. 27), had not in fact been achieved by more than a small number of donor countries. The same applied to the target of 0.15 per cent of GNP for assistance to the least developed countries. Moreover, ODA flows had not just stagnated but had actually shrunk, having fallen from 0.36 per cent of GNP in 1988 to 0.33 per cent in 1989. The Nordic countries therefore urged all donor countries to intensify their efforts to achieve the dual target of 0.7 per cent and 0.15 per cent of GNP as soon as possible.

23. Since foreign trade also enabled resources to be mobilized for growth and development, efforts should be made to establish an open multilateral system capable of resisting protectionism and flexible enough to meet new demands stemming from structural changes in trade in goods and services. It was essential that the developing countries should play an active part in the Uruguay Round of multilateral trade negotiations and that their partners should take due account of their diversity. The needs of the least developed countries would continue to merit special attention both in GATT and in the GSP. Co-operation among the developing countries should be strengthened and South-South trade promoted on a regional basis. Although those countries were not as dependent on their natural resources as they had been, trade in commodity exports should be stabilized for their benefit, and efforts should be made to increase their earnings from that source.

24. The Nordic countries would support the economic, social and political reforms rising out of the recent political changes in the countries of Central and Eastern Europe but not at the expense of their co-operation with developing countries. Assistance to the developing countries must not be adversely affected, in quantity or quality, by initiatives in favour of Central and Eastern Europe.

25. Since the United Nations itself had limited resources, its role in economic and social matters ought to be defined more precisely, its priorities ought to be made clearer and a better international division of labour ought to be established. The Council must determine in which sectors the United Nations possessed comparative advantages; in the Nordic countries' view, action by the United Nations would be particularly fruitful in the field of human resources development and in the social aspects of development: education, health, population, refugees, natural disaster reduction and poverty alleviation. It also had a vital role to play in the protection of the environment.

26. A prerequisite for a clearer definition of priorities was the existence of the political will to make an unbiased, pragmatic reappraisal of the United Nations' future role and to take the appropriate measures. A continuous review and improvement of its machinery was thus essential so as to rationalize and reform procedures and institutions and provide the United Nations with the means to act. The Nordic countries therefore welcomed the agreement reached on 22 June 1990 by the UNDP Governing Council (decision 90/26) to transform the support costs system and improve control by the developing countries themselves over programme and project implementation. The Nordic countries also welcomed various decisions which would make the Council's sessions more effective.

27. Mrs. PURI (India) also noted that the Council was meeting in exceptional times, marked by political changes in Europe, a general relaxation of tension between East and West, economic and monetary union between the two Germanies and the impending establishment of a single European market; at the same time, the Uruguay Round of multilateral trade negotiations was entering its final phase, preparations were in hand for an international development strategy for the fourth United Nations development decade as well as for the United Nations Conference on Environment and Development to be held in 1992, and the General Assembly, at its eighteenth special session, had adopted the Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries (resolution S-18/3). Regrettably, the debt crisis which enveloped those countries was nowhere near solution. Many of them, including some of the poorest countries in sub-Saharan Africa, were transferring more resources abroad to creditors in developed countries and multilateral financial institutions than they were receiving from the same sources. The initiatives stemming from the Toronto Summit[6] or the Brady Plan had dealt with only a very small portion of the problem. Those initiatives needed to be expanded, in particular for the benefit of countries with a preponderance of official and non-commercial debt, since official debt was likely to go on growing while commercial debt lessened.

28. Unquestionably there had never been a more propitious time for the developed countries to adopt policies and measures to mobilize a significant increase in official resources for the developing countries, including measures under operational activities of the United Nations system. The developed countries were reaping the benefit of a long period of unbroken expansion, while the developing countries' basic needs grew ever greater.

29. It had long been recognized that the volume of resources being made available for development was insufficient and hence one of the major obstacles to the resumption of sustained growth in the developing

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[6] See A/43/435.

countries; it was likewise recognized that only sustained growth would enable those countries to deal with the problems of mass poverty, unemployment, debt and environmental degradation. In 1989 alone, the net export of capital from developing countries had amounted to $38 billion. That net transfer of resources would continue and, in addition, there was an implicit transfer stemming from the fall in commodity and energy prices and from the constantly unfavourable terms of trade.

30. The lack of resources was thus serious as commercial lending to developing countries had virtually dried up. Although considerable debt rescheduling was taking place, there was hardly any productive investment. For the developing countries as a whole, an increase in bilateral and multilateral official assistance was imperative, and the low-income countries needed a much greater flow of concessional resources, since their massive needs for infrastructure development could not be met by commercial banks or direct investment.

31. In the face of such needs, the few recent positive developments, such as the outcome of IDA's ninth replenishment or the increase in IMF quotas, did not add up to much. Access to multilateral financial institutions' resources had to be liberalized and the terms of financial assistance made more flexible. Such institutions should be constitutionally prevented from becoming net recipients of funds from developing countries. For example, World Bank support for structural adjustment programmes should not lead to diversion of funds from its primary objectives of alleviating poverty, meeting basic needs and financing development projects.

32. The volume of ODA was still less than half the agreed target of 0.7 per cent of GNP. Yet the build-up of huge surpluses in some major industrialized countries and the fall in energy costs and commodity prices would enable those countries to recycle funds to promote the developing countries' growth.

33. The need, therefore, was for a more coherent management of international institutions and arrangements, particularly the international monetary and financial system. The growing erosion of exchange-rate stability and discipline in monetary and fiscal policies made the monetary system even more volatile. Exclusive responsibility for international liquidity creation needed to be restored to international financial institutions. An early agreement on a fresh allocation of SDRs would provide the developing countries with adequate reserves and help their balance of payments.

34. In the field of international trade, which had long been regarded as an engine for development, the Uruguay Round of multilateral trade negotiations had been disappointing in many ways: the developing countries found that their interests were not being taken sufficiently into account. The final phase of the negotiations ought to lead to those countries' exports of goods and services getting a significantly greater share in world trade. Those countries should also be given easier access to essential financial and technological resources and be enabled to build up their own technological capacity. There should be an end to protectionism by the developed countries against products for which the developing countries had always possessed or had progressively acquired a comparative advantage, and the tendency of the developed countries to resort to non-tariff barriers should be curbed.

35. Her delegation had always advocated adoption of a long-term development perspective not simply limited to short-term recovery and adjustment. Only such a perspective would make it possible to take stock of the current far-reaching changes, so as to provide the means for managing interdependence on a more democratic basis, involving a broader participation of countries with the cost of adjustment being equitably shared.

36. The General Assembly and the Economic and Social Council in particular had a crucial role to play in efforts to achieve a more harmonious, secure and equitable framework of international economic relations. It was up to members to see that the Council was revitalized as it should be.

37. Mr. FAN Guoxiang (China) said that during the past decade the growth rate of the world economy had been very slow, with per capita income growing annually by no more than 1.2 per cent, far below the levels of the 1960s and 1970s. Fluctuating exchange rates, prolonged high interest rates and rising protectionism, caused by the serious imbalances in the international payments and domestic budgets of some major developed countries, had been the main obstacles to the continued growth of the world economy. The gap between the developing and developed countries had continued to widen. Although the developed countries had made some progress in controlling inflation and had experienced the longest period of uninterrupted growth since the Second World War, many countries in Latin America, Africa and certain parts of Asia had seen a decline in per capita income year by year and a tragic increase in poverty. The status of the developing countries in international trade and finance had deteriorated considerably and their role in international economic decision-making had been further marginalized. Undoubtedly, revitalizing the economies of those countries would be the most important challenge facing the international community in the 1990s.

38. It was in those grim circumstances that the General Assembly had held a special session in May 1990, on the initiative of the Group of 77, on international economic co-operation. The session had proved a good start since it had helped to reach a new common understanding on the promotion of international economic co-operation and, in particular, the revitalization of the economic growth and development of the developing countries. However, the Declaration adopted at the session (resolution S-18/3) must not remain just words on paper and it was essential that at its current session the Council should discuss ways of implementing it.

39. Turning to the main theme of the session, "Resources for development, and external indebtedness of the developing countries", he said that since the emer-

gence of the debt crisis in 1982 the situation had deteriorated rather than improved and that little progress had been made towards a solution. The negotiations between debtor countries and the commercial banks were long-drawn and the amount of debt reduced was insignificant. Although the official debt owed by the poorest countries to the developed countries had been partly reduced or written off, their indebtedness to the multilateral financial institutions remained very serious. The debt-reducing measures adopted so far had served merely to prevent another global monetary and financial crisis. Moreover, the tight money policy of the developed countries in recent years had led to a rise in interest rates, thus further worsening the debt problem.

40. At the same time, international capital flows had become increasingly unfavourable to the developing countries. Throughout the 1980s, ODA had been at a standstill, representing on the average only 0.3 per cent of GNP of the developed countries, less than half the internationally agreed target. Private direct investment had declined, as had net capital transfer by the international financial institutions to the developing countries. Those factors, together with the mounting debt burden of the developing countries, had given rise to the abnormal phenomenon of the 1980s, the reverse flow of financial resources from those countries.

41. The heavy debt burden and the shortage of development resources had not only impeded the economic growth of the developing countries but also affected the international community as a whole, posing a threat to the prosperity and stability of the world economy. The solution of those problems should therefore be a priority for the 1990s. Measures which needed to be taken immediately included the following: (*a*) substantially reducing the stock and service of the debt of the developing countries, for all kinds of debtor countries, with a view to revitalizing and promoting their development; (*b*) reversing as quickly as possible the negative flow of resources from the developing to the developed countries, making sure that the changes that had taken place in the international situation were not used to divert the already very limited capital assistance directed towards the developing countries; (*c*) increasing ODA to the agreed level of 0.7 per cent of GNP in those developed countries which had not yet reached that target; (*d*) making adjustments in bank management, accounting practices, taxation and legislation in the major creditor countries, with a view to encouraging commercial banks to participate actively in arrangements for reducing or writing off debt and providing new loans to the debtor countries on better terms; (*e*) substantially increasing the funds provided by the international financial institutions and relaxing lending conditions; and (*f*) establishing a propitious international economic environment, through the institution, in the developed countries, of effective policies on finance, money and structural adjustment, aimed at eliminating the negative impact of their tight money policy on the developing countries, reducing interest rates, lowering tariff and non-tariff barriers to the developing countries, increasing imports from those countries and helping to diversify their exports with a view to improving their ability to repay their debts.

42. He noted that, for some time, the multilateral international financial institutions had been subjected to serious external interference when considering further credits for the developing countries. He expressed the hope that they would be able to overcome such interference and continue to make an effective contribution to the economic development of the developing countries by abiding strictly by the related agreements and regulations. In accordance with the spirit of the Charter of the United Nations, the various development organizations of the United Nations system should maintain their neutrality, fairness and multilateral nature and take it as their purpose to serve the realization of the long-term development targets of the developing countries while respecting the sovereignty of the recipient countries. It was for the people of a country to decide, in the light of their own national conditions, what development path to follow and what kind of political system or economic model to adopt. Any foreign interference would be extremely harmful to the principle of international economic co-operation.

43. Mr. OUALI (Burkina Faso) said that he would confine his remarks to the main theme of the session, "Resources for development, and external indebtedness of the developing countries".

44. The Government and the people of Burkina Faso were well aware that the reversal of their economic decline was primarily their own responsibility. That was why the people had accepted the important reforms undertaken by the Government despite their high social and political cost. However, Burkina Faso and the rest of the developing countries could not by their own efforts alone reverse the disastrous situation in which they were entrapped. That situation was due in particular to crushing external indebtedness and the fall in world commodity prices.

45. The external debt crisis was a shared responsibility, meaning that in order to find a solution both sides must make sacrifices. Although measures for the partial write-off of the debt had had positive results, the only appropriate response to the crisis was to find comprehensive and lasting solutions.

46. As far as resources for development were concerned, it was not enough to question the use made of them by Governments and the élite in developing countries; it must also be asked whether those resources had ever been enough. The figures spoke for themselves: for some decades, the flow of new money had been from the developing to the developed countries and, very often, the loans granted to the developing countries had been simply the surplus from their own deposits. In the last analysis, it was very probably black Africa which had helped those who claimed to have helped it. He noted that the few developing countries which had experienced economic growth were precisely those which had benefited from massive transfers of financial and technological resources. It was therefore more than ever necessary

to increase resources for development by a considerable amount while at the same time reducing the external debt of the developing countries.

47. There was a tendency to attribute the serious crisis experienced by the developing countries to the absence of democracy. Although that was undeniably an important obstacle to development, the example of Burkina Faso led to the conclusion that it was above all development which brought democracy. The current difficulties of the African countries which were considered as democratic showed the limitations of certain analyses and prompted the thought that democracy and human rights meant, first of all, health and education for all at the country level and greater justice and equity in relations among nations.

48. Mr. Ouali reaffirmed that above all the developing countries wanted their partners to pay fair and reasonable prices for their export commodities. Since the responsibility for their current crisis was shared, they urged that that should be borne in mind in seeking solutions. Lastly, the choice of their path to development should be left to them.

49. Miss WILLBERG (New Zealand) said that the emphasis placed at the current session on the issue of "Resources for development, and external indebtedness of the developing countries" was fundamentally important for economic and social progress through the decade and beyond, since for many countries the 1980s had brought only increased poverty.

50. The eighteenth special session of the General Assembly had provided an opportunity for considering the economic evolution of different areas of the world during the past decade and defining the symptoms of the economic malaise suffered by many developing countries. It had been recognized that the growing gap between them and the developed countries was due to a number of causes—large financial and trade imbalances, high interest rates, high levels of external indebtedness and low commodity prices—which had resulted in a net outflow of resources to their detriment, involving a deterioration in the living conditions of their people and an erosion of their economic and social infrastructure. The *World Economic Survey, 1990* (E/1990/55) did little to brighten that grim picture: it envisaged uneven prospects in the short term, with slower global economic growth in 1990 and some hope of resurgence in most regions of the world thereafter.

51. After agreeing on the symptoms, the delegations taking part in the eighteenth special session of the General Assembly had also succeeded in defining, in the Declaration they had adopted (resolution S-18/3), policies aimed at improving the situation. All nations ought now to show energy, courage, commitment and perseverance in carrying them out, from the strongest economies, which must lead the way, to the weakest, which would have to take the hard measures required.

52. Over the past six years, New Zealand had itself been obliged to carry out the most rapid and fundamental restructuring programme in its history, in order to reintegrate its economy into the world economy, remove protection and subsidies and force its industry and primary producers to become more competitive. Controls on exchange and interest rates had been ended, as had direct assistance to agriculture and virtually all quantitative control on imports; taxes and the Government deficit had been sharply reduced and inflation brought under control. The cost of that reform programme had been high, especially in terms of unemployment. Thus, New Zealand was well aware of the social dislocation which that kind of undertaking entailed. Since such consequences were unavoidable, Governments had to find ways of alleviating them, as the New Zealand Government had done. The unemployment rate had begun to drop, the negative growth rate had been reversed, and the economy had apparently turned the corner.

53. However, no small developed or developing country could prosper, no matter how far-reaching its efforts to make itself more competitive, unless global conditions were conducive to growth. That meant the development of programmes to help reduce the crushing debt burden suffered by many developing countries and the establishment of a truly fair trading system. The Uruguay Round of multilateral trade negotiations offered the best prospects in that regard. Fair trading practices were essential for the establishment of conditions for healthy growth in all countries. No amount of development assistance could truly redress the fundamental imbalances between the developed and the developing countries unless the developing countries could exploit their comparative advantage in a competitive trading environment. New Zealand was convinced that the single most positive step that the other developed countries could take to enhance the prospects of the developing countries was to open their markets to imports from those countries and let the principle of comparative advantage work, while, if necessary, granting special treatment and concessional trading terms to some of them, particularly the least developed countries.

54. The right of access to international markets on fair trading terms was not, of course, a cure-all for the ills of the developing countries. A durable and broad solution to their external debt problems must also be sought . The limited measures recently implemented in that direction at the regional level urgently needed to be broadened. The matter should also be given priority at the forthcoming Second United Nations Conference on the Least Developed Countries, to be held in Paris in September 1990, and during the ongoing negotiations on the preparation of the international development strategy for the fourth United Nations development decade.

55. Furthermore, the need for increased flows of ODA remained as urgent as it had been in the 1950s. That type of assistance must remain a vital tool in helping countries to undertake essential adjustment measures while providing social services and development opportunities for the poorest.

56. It was essential for growth to be based on the principles of sustainable development and, in particular, for

development planning to pay due regard to the need to protect and improve the environment. The question was whether the magnitude of the ecological crisis had been recognized too late. Environment and its relation to economic activity could perhaps form the basis for a clearer focus for the Council's general debate. The issue of sustainable development—the intertwining of environment and development—went to the very heart of the Council's mandate and should therefore receive increasing attention.

57. Recent international action on the environment had been encouraging. The Second Meeting of Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer, held in London from 27 to 29 June 1990, had demonstrated that, given imaginative diplomacy, a sense of urgency and a concern for the particular environmental problems of the developing countries, solutions could be found to the grave global environmental threats. The delegations which would be attending the first substantive session, in August, at Nairobi, of the Preparatory Committee for the United Nations Conference on Environment and Development, to be held in June 1992, should be inspired by that example.

58. Mr. ADEDEJI (Executive Secretary, Economic Commission for Africa) said that it could be seen from the annual report of ECA for 1990 (E/1990/42) that the African region was in a distinctly better situation than it had been a few years earlier, the total regional GNP having risen by 2.4 per cent in 1988 and 2.9 per cent in 1989, compared with only 0.4 per cent in 1987. Those encouraging results must, however, be seen in true proportion, in the light of the continent's high population growth rates and disappointing overall socio-economic performance during the 1980s. Africa could not afford to have a repetition of that performance, since if it did so it would have lost not only another decade but a whole generation and would be condemned to remain for ever in the backwaters of world progress.

59. In order to lay the foundations for the socio-economic changes that needed to be made in the 1990s, Africa would have to focus on the following policies: intensifying its efforts to mobilize domestic resources, including the plugging of any financial leakages; according absolute priority to certain sectors, particularly the essential productive and social sectors, which must be considered sacrosanct; switching expenditure from non-productive areas to productive investments; democratizing the development process; consolidating and intensifying economic co-operation and integration in Africa; improving management of foreign debt and assistance; and opening serious negotiations to secure debt cancellation. To enable Africa to implement those principles effectively, the international community would have to change its policies towards Africa so as to bring about an immediate reduction in the stock of Africa's debt and debt-servicing obligations by at least 50 per cent; the application of a 10-year moratorium on the remaining debt-servicing obligations; the conclusion of an agreement by the group of seven most industrialized countries to remove the restrictions on resource inflows to Africa resulting from the linking of debt relief with the implementation of IMF/World Bank structural adjustment programmes; a halting of the reverse flows of resources from Africa to the Bretton Woods institutions; and co-operation with Africa to ensure that resources released or made available were used for the irreversible transformation of the African economies.

60. Referring to his statement at the Council's second regular session of 1989 concerning the African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation (AAF-SAP),[7] he said that since that time a number of African and international forums had considered the AAF-SAP and a broad consensus had been reached on the subject. In particular, AAF-SAP had been endorsed by the General Assembly following consideration by the Council. In contacts he had made with European and national bodies, he had also noted that there was a convergence of views on Africa's development problems and on the development strategy the continent should follow. It was thus essential for the international community to give its full support to AAF-SAP, which could then, as the African countries hoped, serve as a spring-board for the recovery and transformation of the African economy.

61. The twenty-fifth session of the Commission and sixteenth meeting of the Conference of Ministers responsible for economic development and planning had been held in Tripoli from 15 to 19 May 1990. On that occasion, the Commission had considered the question of the final review and appraisal of the implementation of the United Nations Programme of Action for Africa's Economic Recovery and Development, 1986-1990. In resolution 698 (XXV), it had recommended that the General Assembly establish an *ad hoc* committee of the whole to appraise the Programme and had decided to submit to that committee a special memorandum on the implementation of the Programme, to be prepared at its twenty-sixth session. It had also requested that special multisectoral missions should be sent to all member States to collect up-to-date data as a basis for the preparation of the special memorandum.

62. With respect to the implementation of AAF-SAP, the Commission had examined, at its twenty-fifth session, some policy instruments that could be applied in the African countries and had made some specific proposals on their design and on the modalities for their application.

63. The Commission had welcomed the outcome of the International Conference on Popular Participation in the Recovery and Development Process in Africa, organized by ECA at Arusha, from 12 to 16 February 1990. It had unanimously adopted the African Charter for Popular Participation in Development and Transformation, and had recommended that that document be submitted to the Assembly of Heads of State and Government of

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[7] See *Official Records of the Economic and Social Council, 1989, Plenary Meetings*, vol. II, 23rd meeting, para. 41.

OAU at its twenty-sixth session and to the General Assembly at its forty-fifth session (resolution 691 (XXV)).

64. Since the Commission considered it essential to strengthen regional economic co-operation and integration in Africa in order to prevent the continent from being relegated to the periphery of a world that was rapidly realigning itself into a system of trading blocs, it had critically reviewed progress in the establishment of an African economic community (resolution 700 (XXV)) as well as progress in TCDC/ECDC activities in Africa and ECA's operational activities in support of economic co-operation and integration.

65. After examining the report of the independent Review Team established in implementation of General Assembly resolution 43/216, which had called for a thorough evaluation of ECA's Multinational Programming and Operational Centres (MULPOCs), the Commission had found that the MULPOC system was one of the most important systems for promoting collective self-reliance. It had therefore accepted the conclusions of the Review Team that they be transformed and strengthened (resolution 702 (XXV)). It had also recognized that the MULPOCs would not be effective without additional resources. Accordingly, it had adopted the new mandate of the MULPOCs, as proposed by the Review Team, and had urged the General Assembly to provide them with additional human and financial resources. A special memorandum on the strengthening and transformation of the MULPOCs had been prepared by the Conference and was before the Council for consideration (resolution 702 (XXV), annex).

66. The Commission had considered issues of specific concern to the least developed countries in Africa. It had urged, in particular, that ODA to those countries be raised to 0.2 per cent of GNP of donor countries and that their debts be cancelled. Increased participation in the processing of commodities and an improvement of commodity support mechanisms had been considered essential for assisting the least developed countries in Africa to achieve sustainable development.

67. The Commission had considered a number of other questions directly related to the socio-economic recovery and transformation of Africa. At its twenty-fifth session, it had adopted 27 resolutions, 8 of which called for specific action by the Council and were being submitted accordingly (E/1990/42, chap. 1, sect. I.A).

68. Mr. Adedeji reaffirmed that the African continent was entering the new decade with hope—based on the resilience of the African peoples and on the confidence it placed in the international community. The Council ought not to frustrate the hopes of the African peoples but should help them to rise to the challenges that lay ahead.

69. Mr. O'NEIL (Secretary-General, International Maritime Organization) said that ever since its establishment, IMO, which now had 133 member States and 2 associate members, representing approximately 98 per cent of world merchant shipping tonnage, had endeavoured to promote safety at sea and prevent marine pollution. Within those fundamental objectives, IMO discharged specific mandates concerning the technical safety, design, construction and operation of ships, the technical aspects of ports and the standardization and simplification of formalities with a view to facilitating navigation. IMO was also concerned with establishing the necessary administrative and legal framework to ensure the application of international regulations and standards for maritime activities. To that end, it promoted co-operation among Governments, particularly through its technical co-operation programme.

70. By resolution A.500 (XII) of 20 November 1981, the IMO Assembly had decided that during the 1980s efforts should be concentrated on the effective implementation of the instruments already adopted by the organization. The adoption of new instruments or amendments to existing conventions had not been ruled out, but it had been stressed that they should only be considered if there was a clearly demonstrated need for them and their cost was justified.

71. The wisdom of the policy set forth in resolution A.500 (XII) had been shown by the fact that 24 existing conventions and other instruments had entered into force, thus also reflecting the willingness of Governments to give effect to the provisions of the resolution. The IMO Assembly had therefore reaffirmed the validity of that approach, which was to continue to be applied in the 1990s.

72. The IMO Council had requested member States to indicate, on the one hand, any problems encountered in the implementation of certain measures for the prevention or control of pollution from ships and, on the other, the reasons why certain instruments had not entered into force, and the possible solutions. That analysis would help the organization to meet the wishes of its members and to respond effectively to unforeseen situations, while encouraging the implementation of the measures already adopted, the ultimate objective being to ensure the application of the strictest possible standards and to ensure that ships throughout the world were subject to identical régimes.

73. In order to improve maritime safety, IMO was endeavouring to introduce into the 1974 International Convention for the Safety of Life at Sea, as amended, provisions concerning the transport of gas and chemical substances. It was also reviewing the regulations applicable to the transboundary movement of hazardous wastes by sea. Following the disasters that had struck the *Herald of Free Enterprise* and the *Scandinavian Star*, the competent sub-committees of IMO had been requested to study the question of the stability of passenger ships and protection against fire. Increased attention had also been given to the importance of training and the human factor in general. On the question of fishing vessels, IMO was to prepare a protocol to the 1977 Torremolinos International Convention for the Safety of Fishing Vessels. A further important field of study concerned the development of a data bank containing, among other things, statistics on tanker accidents, which should help

in analysing accidents and determining measures to be taken to avoid any recurrence as far as possible.

74. In the legal field, IMO had resumed its work on a draft convention on hazardous and noxious substances. In order to follow the work being undertaken by UNEP on the implications of the Basel Convention on the 1989 Control of Transboundary Movements of Hazardous Wastes and their Disposal, it had established appropriate co-operation with that body. IMO was also taking an active part in the discussions in ICAO on the preparation of an instrument concerning the marking of explosives.

75. In the field of protection of the marine environment, IMO had largely succeeded in strengthening the effectiveness of the 1973 International Convention for the Prevention of Pollution from Ships inasmuch as three of the five annexes to the Convention had now entered into force. Although the two remaining annexes were optional, it had continued its efforts to ensure their ratification by the parties to the Convention.

76. In view of the concern aroused by accidents that could cause marine pollution, the IMO Assembly had decided to convene, not later than November 1990, an international conference on oil pollution preparedness and response, with a view to the adoption of a convention that would define the principles and modalities of international co-operation in that area.

77. IMO had taken note of General Assembly resolution 44/228 on the convening of the United Nations Conference on Environment and Development in 1992. It would contribute actively to the work of the Preparatory Committee of the Conference and to the consideration by the Conference of environmental issues related to maritime transport.

78. The technical co-operation programme of IMO was a key element in its strategy to promote safety at sea and protect the oceans. It was designed to help countries to participate fully in international co-operation in tackling the crucial problems of maritime transport. IMO's policy in that area accorded high priority to maritime training and to the human factor as the principal instrument of any sound maritime transport development programme. To that end, the organization had established a network of maritime training institutions, which was now fully operational. The maritime training programme was being implemented with the generous financial and technical assistance of a number of donor countries and with UNDP support. The Secretary-General of IMO was convinced that the revised financing arrangements described by the Administrator of UNDP would enable IMO to continue to implement its programme for the development of human resources.

79. In the area of inter-agency co-operation, IMO was participating in the co-ordination machinery of ACC. It was also contributing, as required, to the work of United Nations bodies and specialized agencies and had responded to requests for information, for example by providing the United Nations Secretariat with reports on its activities.

80. IMO attached considerable importance to the preparation of the international development strategy for the fourth United Nations development decade. Its Council had endorsed the recommendation by ACC that the new strategy should give due attention to infrastructural development, particularly in the fields of transport and communications. The special role of transport and communications in achieving the objectives of developing countries during the 1990s had been highlighted in statements made to the Economic and Social Council and appropriate organs of the General Assembly by the organizations concerned with those matters. However, no reference to transport and communications had been made in the outline for the formulation of the strategy adopted by the General Assembly in its resolution 44/169. Five specialized agencies, including IMO, therefore wished to convey their firm view that transport and communications should be fully taken into consideration in determining the priorities for the fourth decade. They had transmitted a joint paper on the subject to the Director-General for Development and International Economic Co-operation for submission as an official document to the *Ad Hoc* Committee of the Whole responsible for the preparation of the strategy.

81. Mr. O'Neil noted that the activities of IMO came within the general context of United Nations activities, and in particular those for which the Economic and Social Council was responsible. The Council could be assured of the full support of IMO in its efforts to promote global co-operation, development and peace.

The meeting rose at 12.35 p.m.

21st meeting

Friday, 6 July 1990, at 3.15 p.m.

President: Mr. Chinmaya Rajaninath GHAREKHAN (India)

E/1990/SR.21

AGENDA ITEM 2

General discussion of international economic and social policy, including regional and sectoral developments (*continued*)

1. Ms. SADIK (Executive Director, United Nations Population Fund) said that many countries had made significant advances in formulating and implementing population policies and programmes, but the sheer magnitude of the figures involved and their implications for and impact on all sectors were staggering and highly disconcerting. As UNFPA's *State of World Population 1990* pointed out, the population crisis in developing countries was rapidly becoming a crisis for the rest of the world.

2. The world population, currently about 5.3 billion, was growing at a rate of three people a second or a quarter of a million a day. Until recently, it had been assumed that population growth rates were slowing down and that world population would consequently stabilize about a century hence at approximately 10.2 billion, slightly less than double the current figure. The fall in rates had not taken place and demographers had had to revise their projections both for the 1990s and for the next century. If assumptions were again too optimistic and the population growth rate in the developing world were to continue into the next century, at or near its present rate of 2 per cent per annum, the total 100 years hence could be as high as 14 billion.

3. The fact that the highest population growth rates were often found in the countries least able to afford them was equally disconcerting. Of the 40 countries with annual rates of 3 per cent or above, 22 were in Africa, 14 in the Middle East, 2 in Asia and the Pacific and 2 in Central America. During the 1990s, the population of developing countries would grow by over 900 million, more than the current population of Western Europe, North America and developed Asia combined. The fastest population growth would occur in the least developed and poorest countries. Regionally, the biggest increases would take place in southern Asia and sub-Saharan Africa and the immediate result—unless the will to and means of reversing the trend were quickly forthcoming—would be a further increase in the number of poor, hungry and illiterate people. In the longer term the odds against attaining an environmentally safe and sustained development for all would be greatly increased.

4. In the circumstances it was essential to focus attention on the importance of population issues in development plans. World Population Day, on 11 July 1990, would provide an opportunity to do so and UNFPA believed that the many close linkages between population, poverty, the environment and development should be a central issue for discussion at the Second United Nations Conference on the Least Developed Countries, to be held in Paris in September 1990. Explicit account should be taken of population variables when considering environmental issues. UNFPA accordingly welcomed the Brazilian representative's statement at the thirty-seventh session of the UNDP Governing Council that, as host country for the United Nations Conference on Environment and Development in 1992, Brazil intended to work with UNFPA to ensure that due attention was given at the Conference to population matters.

5. In all those areas the role of women was central. Improving their role and status, slowing population growth, alleviating poverty and safeguarding the common environment would therefore have to be the corner-stone of the international development strategy for the fourth United Nations development decade.

6. Even if agreement was reached on goals and strategies, progress would be limited if resources for development, particularly in the poorer countries, were not significantly increased. It had been estimated that the minimum annual cost of a comprehensive population programme in the year 2000 would be of the order of $9 billion, compared with current national and international expenditures of $4.5 billion. The UNDP Governing Council, in its resolution 90/35, had urged all parties to increase their allocations with a view to reaching the $9 billion target by the year 2000.

7. It was also essential to improve co-ordination among all the parties involved, under the leadership of national Governments and on the basis of goals and strategies providing an overall framework and stemming from national priorities and plans. UNFPA placed special emphasis on co-ordination, since the multi-sectoral nature of population activities required the participation of nearly all sectors. Its particular importance in the population field and its role in facilitating the build-up of national co-ordinating capacity had been reaffirmed by the UNDP Governing Council. The Council had also welcomed UNFPA's commitment to increased emphasis on national execution.

8. The lessons learned from UNFPA's 20 years of experience were reflected in the objectives agreed to at the International Forum on Population in the Twenty-first Century, which took place in Amsterdam from 6 to 9 November 1989, which had called for a reduction in the average number of children born per woman commensurate with achieving the medium variant population projections of the United Nations, and had also called on the United Nations and specialized agencies, the World Bank and regional development banks to make efforts to integrate population with other development issues and priorities.

9. Action in the coming decade would determine the shape of the twenty-first century. The object should be to take decisions that would widen the range of choices for coming generations. That would require, first, a shift in development priorities towards the social sectors; secondly, a shift to cleaner technologies, energy efficiency and resource conservation by all countries, particularly the richer quarter of the world's population; thirdly, a direct, all-out attack on poverty; fourthly, a reduction in overall rates of population growth; and, fifthly, significantly increased resources for all development programmes, together with improved effectiveness.

10. The recent remarkable reduction of political tensions and advances of democracy augured well for other positive changes. The opportunity to reduce military expenditures and to channel a substantial share of the "peace dividend" into development was one the world could not afford to miss.

11. Mr. PESHKOV (Observer for the Byelorussian Soviet Socialist Republic) said that his delegation joined in expressing its condolences to the Iranian people.

12. His delegation considered it essential to enhance the effectivenesss of the Council, which is the major United Nations organ responsible for economic and social activities and for providing practical recommendations to Governments for effective solutions to major economic problems.

13. As the *World Economic Survey, 1990* (E/1990/55) showed, the imbalances in economic development had deepened and there had been a general slow-down in economic growth in many developing countries, where growth rates had failed to keep pace with population growth and real per capita income had declined.

14. One major cause of the crisis in international economic relations was the international monetary and financial system. External indebtedness had become chronic and had been transformed into a political problem to which no long-term solution had yet been found. Economic growth for all States could be promoted by a just solution of the problem of indebtedness through long-term development financing of debtor countries, based on mutual interest and joint responsibility of the parties concerned.

15. The international community must not only make the right diagnosis but must reach an effective and practical consensus for promoting national economic and social development programmes and international co-operation on many fronts. The principles agreed by the General Assembly at its eighteenth special session could form a good basis for securing universal economic co-operation and rationalizing the Council's activities. Co-operation on specific issues with a view to improving international economic relations might facilitate agreement on how to strengthen the basis for a secure and civilized world order, which in turn might help to solve the problems of securing steady and balanced growth, equitable prices on world markets, a sound monetary and financial situation, a solution to the external debt problem and the reversal of adverse international trade trends.

16. The world situation was such that national economies had to be adapted to the world economy, taking account of the specific characteristics of individual countries. In other words, national and international factors had to be harmonized in the economic policies of all States. United Nations bodies could have an invaluable influence on the solution of these problems by such means as the formulation of generally acceptable preventive measures and international standards, norms and rules of economic co-operation among States.

17. The promotion of universal and equitable international co-operation in the economic, monetary and financial, scientific and technical fields, with a view to solving global problems and ensuring steady growth on the basis of a balance of interests, should also be the aim of the international development strategy for the fourth United Nations development decade. That called for an organic linkage of economic, social, ecological, energy and technological factors in all State policies and in the efforts of the entire world community.

18. The search for ways of facilitating joint action based on a community of interests should be the focus of attention. His Government, which was ready to co-operate with all States and international organizations in seeking solutions, based its co-operation on the development of its economic potential. In implementation of the policy of *perestroika*, it had, since the beginning of 1990, moved to new methods of economic accounting. It had taken active steps to enter the world economy and to establish and develop mutually beneficial economic, trade, scientific and technical, cultural and other forms of co-operation with other countries and specific foreign partners. During the past four years, however, those efforts had been complicated by the need to eliminate the disastrous effects of the accident at the Chernobyl nuclear power plant. The area affected by radiation had a population of 2.2 million, or one fifth of the total population of the Republic. The productivity of some 20 per cent of agricultural land and nearly 15 per cent of forests had been lost and 25,000 people had had to be resettled. A further 118,000 people would have to be moved in the near future into areas free from contamination.

19. A State programme for eliminating the effects of the accident over the period 1990-1995 had been formulated at a cost of 17 billion roubles—an amount equi-

valent to double the annual budget of the Republic. It provided for public health care, particularly for children, resettlement, construction of new housing estates and work places, complete social structures (schools, hospitals, cultural centres, etc.) at the new housing sites, scientific research centres and many other services. He hoped that there would be a favourable international response and understanding of the scale of the disaster. Broad co-operation in overcoming the medical, ecological and other effects might help other countries also. He expressed his delegation's appreciation to all who had already responded and hoped that support would be given to the draft resolution before the Council (E/1990/L.21/Rev.1).

20. Mr. DADZIE (Secretary-General of the United Nations Conference on Trade and Development) said that external financing continued to set the parameters for policy in many developing countries. The role of international financial flows had, however, radically changed. Before the 1980s, international finance had normally produced a net transfer of resources from developed to developing countries, with the result that investment and development could move forward more rapidly than would have been possible on the basis of domestic savings alone. Since the mid-1980s, however, the process had been reversed and for many developing countries the net transfer of resources had been negative. To finance the transfer, domestic investment had to be lower than the domestic savings effort would have allowed. For the very few developing countries with rapid growth and high savings rates that was not a problem, but the investment cuts significantly affected growth in most debt-burdened countries.

21. At the same time external earnings from trade in most developing countries had fallen. Their terms of trade had deteriorated through much of the decade, and a number of years had been characterized by slow or negative growth in the volume of trade. Faced with a sharp fall in net flows, rising interest payments and reduced purchasing power of exports, debt-burdened countries had had to cut back imports, with adverse consequences for consumption, investment and growth.

22. Those developments had interacted in many countries with financial disorder. New financing was discouraged by debt-servicing obligations in excess of capacity, leading to extreme financial stringency, slow growth and inability to enlarge debt-servicing capacity. Domestically, financial disorder had been characterized by acute difficulties with public sector finances, and in some cases extremely rapid money creation and high and rising levels of price inflation. During the recent past, however, significant corrective policy action had been taken on both fronts.

23. The successful fiscal efforts undertaken by most debt-burdened countries should be recognized. When interest payments were set aside, the central budgets of highly indebted countries had moved from deficit to surplus between 1982 and 1987. The improvement usually reflected sharp cuts in non-interest expenditure, including expenditure on public administration and social programmes. Public-sector capital spending had also been greatly reduced. The impact of the resulting deterioration in the social and economic infrastructure had often fallen disproportionately on weaker population groups.

24. Internationally, the strengthened debt strategy had begun to be implemented, but there were still doubts whether the debt and debt-service reductions would be sufficient.

25. The shortfall could not be easily made up by other means. The prospects of new foreign lending were unpromising and new commercial bank loans would be an undesirable way of meeting the cash-flow needs of countries with excessive commercial bank debt.

26. In the case of many countries, much of the money held abroad by domestic investors could be repatriated if conditions were right, but creating the conditions was not simple. Some flight capital could be induced to return by raising interest rates, but substantial sums would only do so when macro-economic stability and real economic growth had been established on a durable basis.

27. Similarly, the volume of direct foreign investment could be increased substantially, but only after the long-term prospects had decisively improved. Attempts to use subsidies as a short-term boost were of limited use. The return of flight capital and an increased volume of direct foreign investment could not be seen as major instruments for surmounting the debt problem.

28. As to the possibilities for creating a policy environment conducive to more substantial reductions of debt overhangs, it had been argued that it would not be politically feasible to establish a debt facility, which would imply budgetary costs for creditor countries, or to put stronger pressure on banks to provide more substantial discounts. The costs and disadvantages of either course, however, must be compared with the costs of doing nothing. Recent experience with indebtedness problems within creditor countries suggested that the longer the delay in dealing with *de facto* insolvency, the higher the ultimate costs of securing a satisfactory outcome.

29. A combination of the following elements would be feasible: (*a*) greater assertiveness on the part of creditor Governments and multilateral financial institutions towards creditors, including more explicit targets for debt and debt-service reduction and more systematic tolerance of partial moratoria; (*b*) more flexible accounting, regulatory and tax treatment at the national level; and (*c*) increased financial support by creditor Governments for debt and debt-service reduction.

30. With regard to official debt the measures adopted at the Toronto Economic Summit[1] had provided only limited relief. The number of beneficiary countries should be increased. As a first step, all least developed countries and all countries eligible for ODA should benefit from those measures. The recent agreement with Bolivia, the first beneficiary country outside sub-Saharan

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[1] See A/43/435.

Africa, was encouraging. The concessionality of the Paris Club measures should be enhanced considerably, especially for the most distressed countries. The coverage of consolidation should be widened to 100 per cent of obligations and multi-year rescheduling should be the rule, the length of the consolidation period being related to financing needs rather than fixed to the length of IMF arrangements. Co-ordination between the Paris Club and donor groups should be strengthened. Other bilateral creditors should consider comparable measures.

31. Many middle-income developing countries with debt owed mostly to official creditors also had a debt overhang. Despite the difficulties—such as the impact on the finances of export credit agencies—the issue had received increasing attention from policy makers in creditor countries, as the recent initiatives by the Presidents of France and the United States of America showed. He hoped they would be followed by agreements for global action at the Houston Economic Summit, to be held from 9 to 11 July 1990.

32. For many developing countries, especially some of the poorer ones, debt owed to multilateral financing institutions was an important part of the debt burden. Additional resources were needed to permit the reduction of debt and interest payments where necessary, while safeguarding the institutions' financial viability. Moreover, attention must be given to countries which did not have an overt debt problem and were struggling to avoid one. The vulnerability of some of those countries had recently increased considerably.

33. A fundamental question came to the fore: how was development to be financed during the 1990s? The resolution of the debt problem and reduction of negative transfers from debtor countries were clearly part of the answer. They were, however, only part. In the medium term, little change was expected in the supply of the conventional forms of external finance, except for a modest increase in ODA. In the circumstances, developing countries would have to mobilize domestic savings to a greater extent than in the past, which would be difficult in many countries. In any event, financing gaps could only be narrowed significantly over the long term. Efforts to improve the generation and mobilization of domestic savings would need to be intensified, including reforms of structures and policies in the financing sector, the maintenance of sound macro-economic policies and the encouragement of an attractive investment climate. In that connection he noted that developing countries increasingly recognized that national development policies should aim at making economies more flexible and responsive, ensuring the effective allocation and use of resources and facilitating efficient adjustment to changes in the external environment—in all cases without detriment to basic living standards or long-term growth potential.

34. The radical changes in Eastern Europe were exerting a major impact on international relations as a whole and could have an impact on resources for development and the external debt problem. With the end of the cold war, drastically reduced military expenditures would enable industrial countries to meet their own social and other needs better and provide support for economic transformation in Eastern Europe and in the developing countries.

35. The question was how that potential could be turned into reality. To divert resources from armaments to international development called for statesmanship of the highest order. Without it, financial assistance to Eastern Europe might be at the expense of financial flows to the developing countries. The issue should not be allowed to become how to allocate the present, woefully inadequate, aggregate level of assistance among a larger number of claimants. The challenge was how to channel détente into transformation and development in the South as well as in Europe.

36. Mr. LOEIS (Indonesia) wished to associate his delegation with the condolences extended to the delegation of the Islamic Republic of Iran.

37. The international community was currently witnessing dramatic political changes as well as profound economic transformations precipitated by scientific and technological progress, the globalization of economic activities, the emergence of new economic power centres and major shifts in comparative advantage. Those changes were currently altering both the political balance of power and the economic configuration of the world scene. Unlike the positive trends in the political sphere, however, international economic relations remained mired in the adverse legacies of the 1980s, characterized by imbalances, disparities and inequities.

38. The *World Economic Survey, 1990* (E/1990/55) noted that, although there had been a slow-down, the longest economic expansion of the post-war years was continuing. Yet, despite the duration of the expansion, its economic benefits had not been transmitted to the developing countries. In developing countries in Asia and the Pacific, the economic upturn of the past few years had given way to a significant deceleration, resulting in a decline from a 9.2 per cent growth rate in 1988 to 6.1 per cent in 1989. Approximately one billion people in the developing world, the majority in Asia and the Pacific, continued to languish in acute deprivation. In the meantime, the gap between the developed and developing countries continued to widen. It was increasingly acknowledged that economic inequities, no less than political conflicts, constituted a dangerous threat to peace and security.

39. Conscious of their primary responsibility for their own development, the developing countries had done their utmost to undertake the necessary adjustments. For instance, the restructuring of developing-country economies in the ESCAP region had been chosen as the main theme for the forty-fifth and forty-sixth sessions of the Commission, in 1989 and 1990. The deliberations had resulted in a reiterated commitment to economic reform and the sharing of national experiences and in strengthening co-operation in mutual support of reform. At the national level, Indonesia had spared no effort to carry

out the needed adjustment measures and adopt the necessary policies for diversifying its economy and strengthening its competitive edge.

40. The importance attached by the developing countries to the restructuring of their economies and their commitment to carrying out the necessary reforms had been unambiguously reiterated by the Heads of State and Government of 15 developing countries at the First Meeting of the Summit-level Group for South-South Consultations and Co-operation, held at Kuala Lumpur from 1 to 3 June 1990.[2] They had also stressed that a supportive and predictable international economic environment was essential for sustainable national development.

41. In that context, his delegation welcomed the successful outcome of the eighteenth special session of the General Assembly. While the Declaration adopted (resolution S-18/3) fell short of ideal expectations, it was realistic to hope the consensus would infuse renewed dynamism into international co-operation for development and help to create a favourable external environment for the revitalization of the economic growth and development of developing countries. To that end, it was imperative for the commitments made and policies adopted in the Declaration to be vigorously implemented. It was the responsibility of the various United Nations forums, including the Council, to follow up the provisions of the Declaration.

42. In view of the topic chosen as the main focus of the general debate, "Resources for development, and external indebtedness of the developing countries", it would be interesting to hear from the developed countries how they intended to fulfil their commitments under the Declaration, including their commitment to implement their undertaking to attain the agreed ODA target of 0.7 per cent of GNP and 0.15 per cent to the least developed countries, as well as to enhance the quantity and quality of their aid. Those undertakings had become more urgent in the wake of the recently reported decline in overall OECD assistance to developing countries. The Council should also give special attention to finding a solution to the external debt problems of the developing countries. In that context, the success of the Council's deliberations would depend very much on how far it could agree on policies to ensure a broad implementation of the recent initiatives and measures to reduce the stock and service of debt, as well as the resumption of vigorous growth and development in debtor developing countries called for in the Declaration.

43. In that connection, the Heads of State and Government who met at Kuala Lumpur believed that those initiatives needed to be broadened to embrace all categories of debtor countries and to be more effectively implemented. They also continued to see an urgent need for more innovative, comprehensive and flexible responses to the external debt problem and called on the developed countries to reduce their external and internal imbalances, improve the functioning of the international monetary system, stabilize exchange rates, lower real interest rates and ensure greater access to their markets. They committed themselves to undertaking the necessary measures to mobilize domestic savings and attract foreign financial resources, particularly direct investment and other non-debt-creating flows.

44. International trade involved other important external constraints on development. Though foreign trade was recognized as a critical force for promoting growth and development, protectionism and restrictions on market access for the export products of the developing countries still abounded. It was to be hoped that the emerging consensus on multilateralism would facilitate the negotiations in the last critical phase of the Uruguay Round. It was vital that the negotiations should result in an equitable outcome, taking fully into account the concerns of the developing countries. That should mean creating an international trading environment that would permit the developing countries to pursue their development process while benefiting from their comparative advantage in the production, processing and export of their commodities and manufactures.

45. Many of the developing countries which were still greatly dependent on commodity exports had suffered a sharp deterioration in their terms of trade. Notwithstanding the entry into operation of the Common Fund, many of the existing international commodity agreements had lost their price and earnings stabilization function. It was widely accepted that, because of structural changes in commodity markets, the diversification of the economies of commodity-exporting developing countries was an essential long-term goal. To facilitate that diversification, it was essential that in the shorter term international commodity co-operation should be intensified.

46. His delegation was concerned to note the rather slow progress in the preparation of the international development strategy for the fourth United Nations development decade. In its view, the strategy, together with the Declaration adopted by the General Assembly at its eighteenth special session, was a major multilateral instrument which should serve as a blueprint for international development co-operation in the last decade of the century. It hoped that the spirit of consensus and co-operation of the eighteenth special session would continue throughout the preparatory exercise for the strategy.

47. Regarding the substance of the strategy, his delegation welcomed the inclusion of such important international concerns as the protection of the environment, population, human development and the alleviation of poverty. Their inclusion reflected a collective sensitivity to the newly emerging problems of mankind. Those new issues, however, should not detract from the stubborn older problems faced in such key areas as money and finance, trade and commodities, food and agriculture, industry and technology. Successful responses to the new issues would very much depend, particularly in the developing countries, on the solution of the older ones.

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[2] See A/45/303, annex.

Learning from past experience, the strategy should take into account inputs from the various organs, organizations and bodies of the United Nations system, including the regional commissions. It was the responsibility of those organs, organizations and bodies to commit themselves and participate actively in the preparation of the strategy.

48. The powerful current of change demanded a matching dynamism on the part of the United Nations system. A more integrated and co-ordinated approach was required in the operation of its various components. At the same time, the democratic awakening in all corners of the world should lift the United Nations, as an embodiment of democracy in international relations, to an even more prominent place and an even more central role. As the Declaration firmly recognized, the United Nations, together with its specialized agencies, bore a major responsibility in the great task of revitalizing growth and development in the 1990s. His delegation was therefore ready to co-operate in any effort to improve and energize the functioning of the United Nations system in order to live up to the rising expectations of peoples around the world.

49. Mr. COSTA LOBO (Portugal) expressed his delegation's sympathy with the Government and people of the Islamic Republic of Iran.

50. He wished to add to the statement made at the 17th meeting, by the representative of Italy on behalf of the European Community and its member States, a few remarks concerning his own country's point of view. The climate of economic growth in the OECD countries had contributed to the favourable development of the Portuguese economy in 1989 thanks to the open-door policy of Portugal to international trade and financial flows. Estimates of growth of GNP were on the order of 5.4 per cent—2 points higher than the average for the European Community—and exports were estimated to have increased by 15 per cent as compared with a 12.5 per cent growth in imports. On the other hand, the high level of inflation, estimated at 12.6 per cent in 1989, was hampering economic convergence with the other EEC countries, which was the medium-term target of Portugal's economic strategy.

51. The historic changes in the Soviet Union and the countries of Central and Eastern Europe had set in motion their integration into the world economy and progress, at a pace that varied from country to country, towards the establishment of a market economy. The likely consequences were a period of overall growth as comparatively unsophisticated markets with fundamental needs to satisfy were integrated into the world economy, a medium-term contribution to the reduction of commercial tensions, in particular those which had been building up in the Pacific, but also a risk of widening the gap between the North (including the Soviet Union and the countries of Eastern Europe) and the South. Nevertheless, he believed that the progress of integration of the countries of the East into the world economy could, provided the standards of international trade set by GATT were respected, have positive consequences at the regional level and open the way to new forms of co-operation and association. Progress could also be made towards the liberalization of economic relations between the countries of Eastern Europe, and instruments for economic co-operation might usefully be developed between all or some of those countries. The provision of aid to them, including the handling of their external debt, was not a problem for Europe alone but one for all industrial countries. The efforts made on behalf of the Eastern European countries should not in any case impair the provision of aid to the developing countries, especially the least developed.

52. The debt problems of the developing world were particularly acute and called for urgent solution. Stabilization and adjustment measures must be compatible with a policy of sustained development and take into account the social dimension, particular attention being given to the most vulnerable groups. The Government of Portugal believed that priority should be given to aid to the least developed countries and hoped that significant progress would be made at the Second United Nations Conference on the Least Developed Countries, to be held in Paris in September 1990. For its part, Portugal was making a considerable effort of co-operation with the developing world, especially the Portuguese-speaking countries of Africa. It believed that aid should be primarily directed to investing in and developing the full potential of the human person, and therefore to creating new opportunities, to increasing well-being and to promoting freedom and democracy.

53. ECE was an important forum for regional economic co-operation between all European countries, and the United States of America and Canada. The developing political situation in countries traditionally with centrally planned economies and their gradual integration into the world economy, accompanied by early admission to "Western" economic and technical international organizations, would probably involve a reconsideration of ECE's traditional role. Its new role would have to take account essentially of the comparative advantages of various organizations, in which regard the fact that the composition of ECE was virtually identical to that of the Conference on Security and Co-operation in Europe was, in his delegation's view, a factor of considerable importance. The Special Working Group established by ECE in its decision A (45) could enhance its efficiency by concentrating limited resources on fields of practical concern to all member States and on action to promote the transition towards a market economy in the Central and Eastern European countries, without neglecting economically developing member countries.

54. Mr. SANTOS (Ecuador) expressed his delegation's solidarity with the Government and people of the Islamic Republic of Iran in connection with the recent earthquake.

55. The radical transformations in the East held out the prospect of a strengthening of democracy and the opening up of new paths of development. His delegation

trusted that the process of increasing economic integration in the European Community and the growing understanding between the super-Powers and industrial countries would not prove harmful to the interests of the developing countries. There could be no world harmony without the full and vigorous presence of the South. In that context, the United Nations system had a strategic role to play that called especially for the strengthening of the Council, as had declarations such as the one adopted by the General Assembly at its eighteenth special session (resolution S-18/3) affirming the need to revitalize economic growth and development. A humane world could not exist so long as stagnation, recession and extreme poverty existed in the developing countries.

56. At the outset of the 1990s, it could be said that in Ecuador, and Latin America in general, there was a general awareness that, as it was expressed by ECLA, the 1980s had been a lost decade. The Latin American presence on the international scene had declined, and there had been outright social regression reflected in higher unemployment and underemployment, hunger, illiteracy, rising school drop-out rates and the spread of slums. The Latin American countries had become preoccupied with short-term reactions and crisis management which, while giving them a new pragmatic and realistic view of the world, was also killing off dreams of a better future. The Government of Ecuador had done its best to confront the crisis and achieve adjustment with a human face. Its efforts had been severely hampered by the problem of external debt and unfavourable terms of trade. Unless those problems were solved, there was no prospect of finding the way back to the path of development accompanied by democracy and social justice. New phenomena such as a recrudescence of social tensions, widespread uncertainty and scepticism, an inability to arrive at broad social consensus and the destruction or endangering of such oases of peace as Ecuadorian society, demonstrated that the perversity of external debt and the imbalance in world trade were not only plunging Latin American countries into permanent economic recession but were profoundly undermining social harmony. That was why it was urgently necessary to view such problems from the political point of view and not merely in the light of such measures, however necessary they were, as market liberalization, financial and monetary adjustments and the correction of inflation. A bridge would have to be built between indicative planning for development and market dynamism, on the one hand, and the development of creative imagination accompanied by the unrestricted transfer of science and technology with appropriate participation of multinational enterprises, on the other.

57. At the current session, impetus must be given to an increasingly political approach to external debt on the part both of creditors and of debtors, in which task the United Nations had an essential role to play. He hoped that the report by the Secretary-General's Personal Representative on debt, Mr. Bettino Craxi,[3] would provide new insights into practical and viable solutions. It was encouraging that the United States of America, as President Bush had recently indicated, was interested in finding new approaches that might loosen the stranglehold of debt on the Latin American countries. They also welcomed the important decisions of SELA aimed at harmonizing their positions, the external debt initiatives emerging in the European Community and Japan, and the views expressed in the General Assembly by President Gorbachev. In that context, the historic resolutions in the Quito Plan of Action[4] should not be forgotten. It still had much to offer towards the political solutions being sought to the problem of external debt. There must also be a politically conditioned development of world trade, reversing the unfavourable terms that were proving so detrimental to the developing countries, and harmonizing the conclusions of the Uruguay Round of multilateral trade negotiations so as to take particular account of the interests of the developing countries and ensure fair payment for their export commodities. That objective would also require the revitalization of UNCTAD, raising it once more to the historic level achieved at its first meetings, from which had emerged such important instruments as the GSP and the Charter of the Economic Rights and Duties of States,[5] and many other decisions aimed at reducing or eliminating protectionism on the part of the industrialized countries and giving impetus to commodity agreements.

58. There were also grounds for encouragement in the declarations of the various United Nations decades, in such fields as culture, and the important decisions in the social field, particularly with regard to the struggle against absolute and critical poverty, which had been described as "the most violent form of violence". There was also a growing awareness of the importance of satisfying basic needs to eliminate the abject poverty that threatened democracy, peace and international justice. His delegation trusted that alternative solutions would emerge from the Council's meetings that would combine the realism and creative imagination essential for a long-term international development strategy, and that would ensure that the new century would not begin with a further lost decade for Latin America or any other region.

59. Mr. WORONIECKI (Observer for Poland) expressed his delegation's sympathy with the Government and people of the Islamic Republic of Iran. Poland had joined in sponsoring General Assembly resolution 44/242 on that matter and in rendering immediate humanitarian assistance.

60. The world was changing at an accelerated pace. The terms "east" and "west" had reverted to their original geographical connotations, at least in Europe, and changes were also occurring in the composition of the North and South. The changes and the background of environmental degradation, the polarization of wealth and the ticking of the demographic time bomb against which they were taking place, offered opportunities and

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[3] A/45/380, annex.

[4] A/39/118-E/1984/45, annex.

[5] General Assembly resolution 3281 (XXIX).

involved dangers, but above all they were challenges to be taken up by the international community to ensure that civilization should flourish. Support for the transformations in Eastern and Central Europe would help to establish a new potential dynamo for economic growth. The reunification of Europe and expansion of its purchasing power would prove beneficial to other regions, in particular the developing countries.

61. The United Nations system, especially its economic and social sectors, faced a formidable task in proving its viability. It was not enough to say that the system covered virtually every field of human activity and interaction.

62. Those familiar with the Council's work knew that in some fields there was much costly overlapping while in others superficial activity or endless discussion were substitutes for real action. The budgetary implications of that situation were considerable. The profound changes in priorities made it timely to undertake a further effort to streamline the activities in all sectors. In that context, the concept of a "unitary United Nations" put forward a year previously and recently spelt out more fully by the United States of America deserved careful consideration. Another step in establishing "positive co-ordination" in the activities of one half of the United Nations system might take the form of a "framework convention on environment" accompanied by a programme of action which could be adopted at the United Nations Conference on Environment and Development to be held in 1992. His delegation hoped the Conference would take an inter-agency and multi-dimensional approach to the questions of linkage between environmental protection and the development effort. It also hoped the Conference would consider proposals for international co-operation to avert environmental degradation in areas especially threatened, such as Silesia in Poland, to which the Polish Prime Minister had referred at the recent International Labour Conference of ILO, and the areas affected by the Chernobyl accident in 1986.

63. External indebtedness must be regarded as one of the leading issues to be considered at the current session. Growth and development, social progress and ecological protection could find no satisfactory solution so long as the heavy debt burden hampered the adjustment efforts of individual Governments. Social stability and consolidation of the democratic processes could be endangered unless that problem was solved. As the Secretary-General had stated in Cracow, where the welfare of peoples and the stability of Governments were in question, the issue had an international dimension. The international response and solidarity to which the representative of Italy, in the name of the European Community (17th meeting), had alluded, had become matters of urgency: the time had come to pass from analysis to action. His delegation welcomed all initiatives and proposals to reduce the volume of debt and the cost of debt-servicing. As a heavily indebted country, and one undergoing profound economic and social transformations as it moved towards a market economy, Poland had submitted a specific request on that matter through its Deputy Prime Minister. It was to be hoped that the recent declarations on that topic, including that made by President Bush, would be transformed into action.

64. His delegation had been heartened by the encouraging results of the thirty-seventh session of the UNDP Governing Council, held at Geneva from 28 May to 23 June 1990, which had emphasized that the development process should lead not only to economic growth but also to improvements in the quality of living. The unanimous recognition of that goal called for Governments to undertake a number of measures, whether individually or in their bilateral and multilateral relations, many of which were outlined in the UNDP publication *Human Development Report 1990*.[6] He shared the view expressed in the report that a favourable external environment was vital to support human development strategies in the 1990s, and that there must be a satisfactory solution to the lingering debt crisis. Debts needed to be written down drastically and a debt refinancing facility created within IMF and the World Bank to foster an orderly resolution of the debt problem. His delegation also concurred with the view expressed in the report that more successful technical co-operation would require that programmes focus to a greater extent on human development issues, in other words, in addition to developing human capabilities, they should enlarge the scope for the use of those abilities.

65. In his delegation's opinion, the time had come for a new development consensus. Ecologically and socially sustainable development should be envisaged as the common objective. It should be treated as a joint responsibility which would work to the benefit of all in the short or long term. Thinking in terms of global economic rationality had become imperative. Helping others was often the best way of helping oneself, and efforts to adjust and thereby help oneself were in their turn conducive to increased external assistance and support.

66. Mr. GROZDANOV (Bulgaria) expressed his delegation's sympathy with the people of the Islamic Republic of Iran on the occasion of the recent natural disaster.

67. The changes on the threshold of the twenty-first century were unprecedented in depth and dynamism and were leading to a new understanding of and new approaches to world problems. Impetus to the new phase of world development had been given by the democratization process in the Eastern European States, Bulgaria included. The new trends found their expression in the growing interdependence of countries and regions. The world economy had entered a new stage, in which technological innovation, resource-saving growth and flexible adaptation to market changes were decisive for successful development.

68. In such conditions, it was of particular importance to seek common approaches and to solve the most acute problems by ways—for example, through decisions adopted by consensus following negotiations within the

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[6] New York, Oxford University Press, 1990.

United Nations system—which aimed at predictability, equality, mutual benefit and non-discrimination in international economic relations. The outcome of the eighteenth special session of the General Assembly was of particular importance in that regard. The spirit of co-operation had made possible the adoption, by consensus, of a Declaration (resolution S-18/3) which opened a new page in United Nations activities, promoting interdependence in international economic relations and providing for practical steps aimed at solving existing problems.

69. The problem of foreign debt urgently demanded a solution as part of the process of adapting national economic mechanisms to the new shape and requirements of the world economy. Bulgaria was confident that the search for generally acceptable solutions would be stimulated by the work of the Secretary-General's Personal Representative on debt, Mr. Bettino Craxi. Due attention must be paid to joint action regarding other acute problems such as the net outflow of resources, stabilization of the international trade system, the free transfer of technology and fluctuations in international monetary and financial relations. The modern world's interdependence was also reflected in the ecological threat. The elaboration of a global strategy in the United Nations for preservation of the environment and rational use of natural resources was an important task for the international community; the United Nations Conference on Environment and Development, to be held in 1992, would play an essential role in that regard. Bulgaria was participating actively in joint efforts to ensure ecologically safe development, and was in favour of a high degree of transparency, exchange of experience and free transfer of ecologically safe technology.

70. Development's social aspects were also an important part of the world community's joint efforts. The aim of economic policies of all countries was to raise the standard of living and enable everyone to contribute to the development process. Social aspects, therefore, should have an appropriate place in the international development strategy for the fourth United Nations development decade.

71. The international approach to the solution of world problems was increasingly reflected at the regional level. That was particularly true of Europe, where previously divided groups and States were intensifying co-operation. The reforms in Eastern European countries, aimed at strengthened democracy, respect for human rights and a transition to a market-oriented economy, had created a new dynamism. Those countries, including Bulgaria, faced serious problems of economic restructuring and integration, which would require tremendous effort and the world community's assistance. A more developed Eastern Europe would, however, further stimulate world economic growth, in developed and developing countries alike.

72. Part and parcel of the process were the developments in Bulgaria since 10 November 1989, when radical reforms in all spheres of life had begun. The free democratic elections held in that country on 10 and 17 June 1990 had confirmed the true process of democratization. The economic sphere had been marked by Government elaboration and parliamentary approval of a reform and stabilization programme for the transition from a centrally planned to a market-oriented economy, aimed *inter alia* at overcoming the serious economic crisis and settling the large debt burden. The Government fully realized its responsibilities in implementing reforms at the national level, but international support would be vital to implementing the requisite structural adjustment measures in order to promote Bulgaria's full integration into the world economy.

73. The Government was particularly aware of the social costs of reform and was doing its utmost, in its measures to deal with economic and ecological problems, to reduce the negative social consequences.

74. The steps being taken to integrate Bulgaria into the multilateral trading and financial system included measures already taken for Bulgaria's accession to GATT, IMF, the World Bank and the EBRD, as well as the signing of an agreement with EEC in May 1990.

75. Bulgaria supported the consolidation of the United Nations role as a forum for co-ordinating steps to harmonize international economic co-operation with the new conditions and endorsed the support expressed for increasing the United Nations functions in the economic sphere. The Organization had been participating more effectively in international life during recent years, solving many problems which closely affected national, regional and bloc interests. In that regard, Bulgaria was confident that the Council, at its current session, would make a genuine contribution to strengthening multilateral economic co-operation.

76. Mr. PEREZ NOVOA (Cuba) said that his delegation reiterated to the Government and people of the Islamic Republic of Iran its deepest condolences on the tragic consequences of the recent earthquake.

77. Analysis of the many studies produced on the world economic crisis, particularly with regard to the 1980s, and on the prospects for the 1990s in the developing world gave little ground for hope of any change in the present inequitable international economic order. In the light of studies by ECLAC and UNDP, as well as data in the *World Economic Survey, 1990* (E/1990/55), it was legitimate to ask what chance the developing world had for economic development, or even survival. The developing countries should analyse multilateral economic relations to see whether the developed countries were changing their attitude to development and, if they were not, unite in adopting policies aimed at satisfying their needs for growth, development and the eradication of poverty.

78. Although the 1980s had gravely affected the developing countries' economic, trade, financial and social structures, threatening their people's very survival, virtually nothing had been done to remove the root causes, despite the warnings of Governments and the decisions of United Nations organs.

79. Structural problems had not eased, and the effect of adjustment policies had undermined social conditions in most cases. Commodity prices remained unfair, the net transfer of resources had not halted, and regions such as Latin America had become net exporters of funds, the ECLAC region having lost almost $280 billion in that way since 1982. The developing countries' traditional exports continued to be hit by protectionism. Inadequate financial flows and transfer of technology, high interest rates, widening trade imbalances and hyperinflation continued to heighten the problems. Despite détente, resources had not been diverted from the arms race to development. No solution had been found to the problem of external indebtedness and debt servicing. The shortcomings of the Brady Plan[7] had been made clear by ECLAC studies and in the *Survey*. Despite the creditor countries' growing awareness of the need to solve the debt crisis, the emphasis was still on palliatives rather than the sort of bold political solution which alone could avoid social and political collapse. The international community should recognize that, as the Government of Cuba had long argued, the debt was irrecoverable. In that context the Government welcomed the recent proposals by the SELA countries, which could form the basis for United Nations action.

80. Although the eighteenth special session of the General Assembly had not been wholly satisfactory, it had resulted in the adoption by consensus of a Declaration (resolution S-18/3). Its implementation would, however, require more specific measures and more detailed commitments in regard to the generally recognized issues mentioned in the *Survey*. The Council should make an effort to take decisions aimed at collective action on those points.

81. It was essential to strengthen the Council's performance of its functions designated by the Charter of the United Nations and to give effect to the many resolutions adopted on that subject. His delegation supported the idea of convening the Council at ministerial level.

82. It was hoped that the current session would mark a turning-point in the policies of the North towards the solution of the problems of the South. The spirit of understanding which was replacing the former hostility between East and West was unfortunately not yet reflected in North-South relations. The developing countries hoped that the dismantling of barriers to economic ties would lead to a new era freed from external indebtedness, reverse flows of resources, protectionism, unequal treatment and discrimination, in which fresh financial flows would promote growth and development.

83. Mr. KRAUS (International Chamber of Commerce) said that while the bulk of the funds needed for development must come from domestic sources, even in the poorest countries, the role of external capital flows, public and private, was important. ICC welcomed the renewed interest in encouraging foreign direct investment in international capital flows to developing countries and noted the broad agreement that, given an appropriate national and international framework, such investment could play a constructive role. In that connection, competition for private investment capital was growing as a result of the emergence of Eastern European countries and the Soviet Union as potentially important host countries for investment.

84. The devastating consequences for many developing countries of excessive reliance on loan finance during the 1970s had helped to stimulate interest in equity finance and other forms of financial flows with flexible remuneration. In recent discussions on the role of transnational corporations in development finance, for example, it had been suggested that there was room for new forms of co-operation between public capital and foreign direct investment, especially in low-income countries.

85. Examples of ICC's long record in the promotion of private investment, especially in developing countries, included contributions to work on bilateral investment treaties, the establishment of the Multilateral Investment Guarantee Agency, the elaboration of foreign investment guidelines—an ICC forerunner to the OECD Declaration on International Investment and Multinational Enterprises—and contributions to the debate on a code of conduct on transnational corporations.

86. Despite the major shifts in attitude to foreign investment in general and transnational corporations in particular, foreign direct investment and the developing countries' share in global investment flows had continued to decline during the second half of the 1980s. Among the causes were severe external imbalances, depressed economies resulting from indebtedness and the subsequent fluctuating exchange rates and high inflation. Foreign exchange scarcity made it difficult for investors to import materials and transfer profits.

87. It would be a mistake for the developing countries, given the keen competition, to become fatalistic about the possibility of influencing the pattern of investment flows. Governments should do all they could to make investment in the local economy more attractive.

88. Potential investors in a country looked mainly for a stable political system with respect for the role of business, an efficient, honest bureaucracy, sound monetary and fiscal policies, moderate levels of taxation, market-sensitive pricing, a legislative framework suitable to modern commercial operations, the protection of intellectual and other private property rights and an impartial judicial system, including unrestricted access to the courts. They were also influenced by the extent to which domestic investment and private enterprise were encouraged. In that connection, if the proposed United Nations code of conduct on transnational corporations was to promote the confidence, predictability, transparency and stability required for a mutually beneficial expansion of foreign direct investment in developing countries, it must take a balanced approach to the behaviour of the transnational corporations and their treatment by Governments and be the outcome of a consensus agreement

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[7] See *IMF Survey*, vol. 18, No. 6 (20 March 1989), p. 90.

among Governments. It must also contain a clear reference to respect for international law.

89. As the 1990s began, the debt crisis showed few signs of abating. A successful strategy to resolve it must contain four key elements: a satisfactory growth rate in the industrial countries; a more open trading system with better access to export markets for the developing countries; growth-oriented structural adjustment in the indebted countries; and additional external financing to support adjustment programmes. The strategy would provide a framework for the case-by-case approach. ICC had cautiously welcomed the Brady Plan's conceptual approach, especially its emphasis on voluntary debt and service reduction as a way of passing on the benefits of secondary market discounts to the debtor countries, and for its acknowledgement that the debt problem was one of solvency rather than liquidity.

90. Although the banks must contribute to voluntary debt operations under the Plan, they could only do so if they could rely on IMF's constant involvement and close surveillance of the indebted countries' policies. The World Bank and IMF must give full attention to the pursuit of sustained adjustment programmes which stressed sound fiscal, monetary and exchange-rate policies promoting privatization, strengthening local agriculture and liberalizing external trade régimes.

91. The business community everywhere appreciated the growing importance of the developing countries in the world economy. Much attention had been paid in the past to the negative consequences for the developing countries of recession or slow growth in the industrialized countries. It was increasingly recognized that the reverse effect was also important.

The meeting rose at 5.35 p.m.

22nd meeting

Monday, 9 July 1990, at 10.15 a.m.

President: Mr. Chinmaya Rajaninath GHAREKHAN (India)

E/1990/SR.22

AGENDA ITEM 2

General discussion of international economic and social policy, including regional and sectoral developments (*continued*)

1. Dr. NAKAJIMA (Director-General, World Health Organization) said that WHO and its member States were increasingly aware of the powerful linkages between health and development. Like the world economic situation, the world health situation was improving, but wide disparities existed between developed and developing countries and between population groups within some countries.

2. The World Health Assembly, voicing its grave concern at the adverse effects on people's health of the world economic situation, especially the debt crisis and the related adjustment policies, had requested the Director-General, in its resolution WHA43.17, to pursue methods of sensitizing the international community to the possibility of achieving agreement on health and economic priorities using all possible approaches, including the involvement of leaders at the highest political level, and to mobilize commitment and extrabudgetary support for these purposes. The concern expressed by WHO's principal governing body was therefore of direct relevance to the focus of the Council's current discussion, namely the issue of "resources for development, and external indebtedness of the developing countries".

3. In that connection, he drew attention to the statements made at the forty-third World Health Assembly by Mr. Robert Mugabe, President of the Republic of Zimbabwe, and Mr. Giulio Andreotti, President of the Council of Ministers of Italy, who had been invited, on 9 May 1990, to discuss the links between the world economy and health. The statements, as well as the introduction by Mr. Saburo Okita, former Minister for Foreign Affairs of Japan, who had been appointed co-ordinator of that special event, appeared in a booklet entitled "Invest in people's health" (WHO/DGO/90.1). It was hoped that politicians, economists, bankers and all others concerned would understand and accept the message from those three statesmen, namely that investment in people's health should be among the highest of national priorities. In 1981, the General Assembly, by its resolution 36/43, had endorsed the Global Strategy for Health for All by the Year 2000, adopted by the thirty-fourth World Health Assembly. On the basis of that Strategy, which focused on the concept of primary health care, WHO had, over the years, developed its programmes of work, its co-operation with member States

and its contribution to the International Development Strategy for the Third United Nations Development Decade. In partnership with its member States, it had monitored progress towards the goal of health for all and could state that, despite the economic problems that had characterized the 1980s, there had been some progress even in the less developed countries. Global trends in critical indicators such as infant mortality, life expectancy at birth and immunization rates were improving. Those and other social indicators had been aptly used in the UNDP publication *Human Development Report 1990*,[1] which introduced a new measure of development: the human development index. That report, to which WHO had contributed fully, showed that, even at low income levels, impressive human development could be achieved. There was still a long way to go, however, in order to attain the universal goal of health for all.

4. AIDS was rapidly becoming a most serious threat to human existence. At least 8 million people might be infected with the human immunodeficiency virus (HIV). The growing rate of infection among women of child-bearing age and the attendant risk of transmission from mother to child during pregnancy or at birth were particularly disquieting. For that reason, an International Conference on the Implications of AIDS for Mothers and Children was held in Paris from 27 to 30 November 1989; and WHO, in its resolution WHA43.10, had announced a series of measures to promote an appropriate response to the dangers women faced.

5. The international community was acutely aware of the growing extent of the problem of drug abuse, particularly among young people. There was no ignoring the link between HIV transmission among injecting drug addicts and the spread of AIDS. The General Assembly, at its seventeenth special session, convened in February 1990 and devoted to the question of international co-operation against illicit production, supply, demand, trafficking and distribution of narcotic drugs and psychotropic substances, had adopted (resolution S-17/2, annex) a Political Declaration containing a number of provisions relating to the health sector which were consistent with WHO's mandate. It had also adopted a Global Programme of Action which had identified specific tasks for WHO. Most important, the special session had been instrumental in placing greater emphasis on reducing the demand for drugs—an area in which WHO's activities would be intensified. The same approach had been adopted at the World Ministerial Summit to Reduce the Demand for Drugs and to Combat the Cocaine Threat, held in London from 9 to 11 April 1990, and in the United Nations System-wide Action Plan on Drug Abuse Control. The forty-third World Health Assembly, in its resolution WHA43.11, had requested him to intensify WHO's action to control drug abuse; WHO's activities in that field would be drawn together in a new programme dealing with control of the abuse of psychotropic substances.

6. For the prevention of cardiovascular diseases and cancer, WHO advocated adoption of a healthy life-style, particularly a balanced diet and reduced consumption of alcohol and, especially, tobacco.

7. The global malaria situation had become more acute in recent years, due partly to development activities. Greater attention must be paid to malaria prevention and control measures, specific treatment and the problem of the resistance of mosquitoes and parasites. As part of the onchocerciasis control programme in West Africa, aerial spraying of larvicides had ensured that 4 million children were no longer in danger of losing their sight and it had also been possible to recommence agriculture in the fertile Upper Volta basin. The fact was that much of the suffering, disease and premature death was preventable. That was why WHO was strengthening its expanded programme on immunization as well as its activities for the control of diarrhoeal diseases, acute respiratory infections and other communicable diseases.

8. In an effort to combat the socio-economic problems which deprived millions of human beings of decent health conditions and thus prevented them from leading productive lives, WHO had adopted a pragmatic approach towards the relationship between health and the economy. It gave priority to primary health care, the most cost-effective approach to providing sustainable health care of acceptable quality. In that context, it was striving particularly to intensify its economic and technical support to countries facing serious economic constraints, to assist them in planning and rationalizing the financing of health care.

9. The relationship between the environment and health was critical; the conclusions of the WHO Commission on Health and Environment would help to shape the strategies and priorities in that field, as well as WHO's contribution to the United Nations Conference on Environment and Development to be held in 1992. With regard to the effect on health of the nuclear power plant accident at Chernobyl, he said that the Ministry of Health of the Soviet Union had sought WHO's assistance with a view to mitigating the long-term effects of the accident. It was clear that the contamination resulting from the accident posed a grave problem for health and development in the Soviet Union itself, but the issue was also of world-wide concern, since no country which used nuclear energy could be entirely safe from accidents. Although it was to be hoped that such accidents would be as few and as small in scale as possible, the lessons of the Chernobyl accident must be learned and the knowledge acquired from that incident must be made as widely available as possible, for the benefit of all the people on the planet.

10. In that connection, Dr. Nakajima had signed a memorandum of understanding with the Soviet authorities for the establishment at Obninsk, south-west of Moscow, of an international centre for radiation health, for which WHO would provide technical support and guidance within its sphere of competence. It would also encourage Governments and international organizations

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[1] New York, Oxford University Press, 1990.

to participate in the centre's activities and help to mobilize resources for the programme. He urged the Council, when it considered the question of international co-operation to deal with the consequences of the Chernobyl accident, to consider WHO's role as co-ordinator of national and international efforts in that field; it might also consider the question of the help that Governments and United Nations bodies might provide to the centre.

11. In order to combat malnutrition and bad nutritional habits, which prevailed even in regions where food was plentiful, an international conference would be organized in December 1992 to arouse public awareness of the problems of nutrition. The forty-third World Health Assembly had decided, in its resolution WHA43.2, that WHO should aim at eliminating iodine deficiency disorders by the year 2000.

12. In countries lacking in resources, it was essential to adopt a more integrated approach to disease control. For that reason, WHO attached great importance to co-operation with other United Nations bodies, particularly at the country level. It co-operated with UNESCO and UNICEF in helping countries to provide their entire population with at least primary education, particularly for women and girls, in view of the importance of the educational level as a factor in reducing child mortality, the effectiveness of family planning programmes and the campaign against AIDS. The safe motherhood initiative was another cross-sectoral activity in which the World Bank and UNFPA collaborated. In addition, almost all United Nations bodies, and UNDP in particular, supported WHO in the struggle against AIDS.

13. Since WHO had had to survive, during recent years, on a budget based on zero growth in real terms, the Director-General had had to reallocate resources in favour of sectors where intensified collaboration with countries was of the greatest priority. Steps had been taken to improve WHO's financial management system and every effort would be made to mobilize extrabudgetary resources. In addition, WHO was exploring ways of exchanging debt against health and development programmes.

14. The fact remained, however, that, in many developing countries, health expenditure had diminished in real terms and, as a result, millions of persons remained critically vulnerable at the start of the new decade. No one who valued life as sacred could allow Governments' economic debts to become debts in human lives. The situation thus had to be tackled boldly and more must be invested in people's health. People played the central role in development as producers as well as consumers. And the right to health was a basic right which could be fully exercised only if there was peace, equity and justice. He therefore appealed to the Council to protect the right to health in the efforts to reduce debt and the economic burdens that weighed so heavily on certain countries, especially the poorest and least advantaged.

15. Mr. HINTEREGGER (Executive Secretary, Economic Commission for Europe) said that the appearance of a new pattern of relationships at the global level had made possible a fundamental improvement in East-West relations and had fostered the search for greater world stability.

16. The accent on economic integration was another important aspect of relations among States. The decision of the 12 States members of the European Community to bring about a single market by the end of 1992 marked a historic step in those relations. The progressive consolidation of the Community into an economic and political entity and the growing weight of its role in the world economy made it one of the major players in world trade and finance.

17. The reform movement in the Soviet Union and the countries of Central and Eastern Europe underscored the new dynamism of Europe. The profound economic and social transformation under way in those countries created the necessary momentum for the move from a single-party to a pluralist political system and to a market economy. In order to attain the latter goal, the countries of Eastern Europe needed to embark on a broad programme of institutional reforms; to mention a few, they would have to reform the price-setting mechanism and tax system, create a financial market and the requisite conditions for the convertibility of their currencies and recognize the right of private ownership. Although the changes, with their prospects for a strengthening of international co-operation, were welcome, their scale and pace gave rise to considerable uncertainty. Political changes might be rapid, but the economic adjustment involved was generally slower. It was in the interests of all the countries of the region that the current change should proceed in a steady, peaceful way and, to that end, the Western market economies had reaffirmed their determination to support the democratic reform processes in the East.

18. The market-economy countries members of ECE had continued to make good progress in 1990. There would nevertheless be a slight slow-down in output growth, which would ease the strain on the utilization of available resources. In general, inflation rates had stabilized since October 1989 and, in many countries, there had even been recent signs of slackening. Nevertheless, German monetary union was causing some disquiet due to fears of possible inflationary consequences. Although such fears might well be exaggerated, monetary policies were likely to remain cautious, with no general reduction in interest rates until average rates of inflation had shown a decisive downturn.

19. Economic activity in Eastern Europe and the Soviet Union had slowed progressively throughout 1989, having finally turned into recession. In economies formerly oriented to full employment, falling output had been accompanied by rising inflationary pressures or even open inflation which, in Poland, had turned into classical hyperinflation. In all countries of the East, output levels during the first quarter of 1990 had been below those for the same period in 1989. On aggregate, the region's industrial output had declined by almost 5 per cent. Although social and political upheavals had admit-

tedly played an important role in the downturn, deteriorating macro-economic control and the inflationary impact of growing fiscal deficits seemed to have been the main causes.

20. Economic policies set for 1990 had been very diverse. Some had assigned priority to a radical and rapid change of system allied to a policy of fiscal and monetary austerity aimed at halting inflation—the so-called Polish "shock therapy"—while others had given priority to stabilization as a prerequisite for more far-reaching reform measures in the future—as in the Soviet Union. Many of the new interim Governments in Eastern Europe had had to struggle to keep their economies going, pending mandates for a systematic change not possible until after the elections in the first half of 1990. Those Governments had encountered a great deal of difficulty in obtaining the requisite consensus for new solutions and the political landscape was still dominated by uncertainty.

21. Although developments in Europe had required ECE's particular attention, it had not neglected its activities of interest to countries in other regions of the world. In the area of transport, it continued, under the Council's auspices, its work on the transport of dangerous goods. The Convention on Civil Liability for Damage Caused during Carriage of Dangerous Goods by Road, Rail and Inland Navigation Vessels had recently been opened for signature. ECE had also organized in November 1989, in collaboration with the UNCTAD secretariat, a seminar concerned with the increasing dimensions of containers and their effect on inland transport organization. The seminar had agreed that comprehensive cost-benefit analyses should be carried out before a decision was taken on new global standard dimensions of containers. ECE would convene another seminar in 1992, open to all United Nations Member States and interested organizations, to evaluate the results of the studies undertaken and he hoped that a position could then be adopted on that matter.

22. The facilitation of international trade was another area where ECE was doing important work. It had already made remarkable progress in developing the Rules for Electronic Data Interchange for Administration, Commerce and Transport (EDIFACT). The countries of Eastern Europe and the developing countries needed assistance in acquiring the necessary technical skills so that they too could utilize such advanced technology. Pursuant to Council resolution 1989/118, the regional commissions had formulated, with UNCTAD, a proposal for interregional co-operation, including the phased application of EDIFACT.

23. Environmental activities had been particularly fruitful in the past year. The regional conference at the ministerial level on the follow-up to the report of the World Commission on Environment and Development (Brundtland Commission), held at Bergen from 8 to 16 May 1990, had been a major success.[2] The preparatory work for the Bergen conference, in which the ECE secretariat had taken an active part, and the conference itself had led to the adoption of the Ministerial Declaration and the Joint Agenda for Action, which would be a major input to the forthcoming United Nations Conference on Environment and Development.

24. The opening up of the Soviet Union and the countries of Eastern Europe to the West had broken down the old concept of East-West relations—a situation also reflected in the institutional framework. Those countries were making approaches to organizations formerly considered exclusively Western, with a view to establishing direct relations and even institutional ties in some cases. The obstacles which had separated East and West were thus disappearing one by one. ECE, which had been the sole permament forum for economic co-operation in Europe for the past 40 years, had to adapt to changing realities in the region. A special working group had been set up to redefine its priorities and future role.

25. In the light of the dramatic changes in the region, the Conference on Security and Co-operation in Europe (CSCE) would have a centre-stage role in building the "new Europe" and a permament institutional structure was envisaged through the establishment of a permanent secretariat. The role of Europe's existing institutions and organizations would have to be redefined in order to avoid duplication of work and institutional links would need to be established between them and CSCE. ECE had enjoyed a close relationship with CSCE since 1975 and indeed had served as the main instrument for implementing the provisions and recommendations of "Basket Two" of the Helsinki Final Act. It had thus proved its effectiveness as a framework for European co-operation, while remaining faithful to its obligations as an integral part of the United Nations system.

26. Mr. KIBRIA (Executive Secretary, Economic and Social Commission for Asia and the Pacific) said the general view seemed to be that the 1980s, which had been a "lost decade" for many developing countries, had affected the ESCAP region less adversely than the rest of the developing world, but there was another side to the coin. Admittedly, average economic growth in the developing-country members of ESCAP had accelerated from 5.3 per cent in the 1970s to nearly 7 per cent in the 1980s; but, in the cities where growth was concentrated, it burdened the infrastructure dangerously and, in the countryside, it was causing the depletion of natural resources, including soil and forests. Development, in other words, had been not only partial, but also socially and economically costly.

27. Economic dynamism had also varied markedly among the three subregions. The four newly industrializing countries and China had achieved soaring growth rates in the 1980s as a whole, but growth had slowed down significantly in 1988 and 1989 and the prospects for 1990 were weak. In South-East Asia, on the other hand, after the plunge in commodity prices which had hampered growth during the first half of the decade, recovery had been vigorous, particularly in Thailand and

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[2] See A/CONF.151/PC/10.

Malaysia, since 1986. And in much of South Asia, growth had strengthened throughout the decade, particularly in India, where the rate had been outpacing population growth for several years. In the region as a whole, the more dynamic countries had generally been able to make headway both in the agricultural sector and in manufactures and services, showing, moreover, a remarkable capacity to diversify their production and export potential.

28. Towards the end of the decade, growth had slowed down considerably at the regional level and measures were required, at the various levels, particularly in international trade, since average export growth, which had been 24.5 per cent in 1988, had dropped sharply to 14.3 per cent in 1989, thus widening the trade deficit in some countries and sharply reducing surpluses in others. Many of the countries in the region had become more exposed to the uncertainty and instability which characterized world trade and their hopes were focused on the Uruguay Round of multilateral trade negotiations.

29. External indebtedness as a whole had perhaps been less burdensome during the 1980s in Asia and the Pacific than for developing countries elsewhere, but the problem had unquestionably worsened towards the end of the decade, when the volume of external capital flows had fallen and markets had become increasingly protected. Although growth had been sound on average, it had brought problems with it; in particular, the high population growth in many countries had largely exhausted the possibilities of further agricultural expansion. Efforts to increase land productivity through capital-intensive initiatives seriously jeopardized job creation, while the continuing fall in commodity prices was discouraging agricultural investment. Above all, the urge to boost agricultural production was gravely damaging the environment; in particular, deforestation for the purpose of increasing cultivable land or providing wood for households, manufacturing or exports, had reached critically high levels.

30. Moreover, in their desire to keep up the pace of their growth, the countries of Asia and the Pacific had neglected to adapt their physical and social infrastructures, which required substantial investment, not only in transport and telecommunications, but also in the construction of schools, hospitals and housing. Since the authorities could no longer cope with the situation, the consequences were being borne increasingly by those particularly active sectors which provided the economy's drive.

31. At its forty-sixth session, ESCAP had noted two imbalances that aroused its concern. The first was the region's lagging social development, which was reflected in the fact that the region accounted for the largest number of poor people in the world. Alleviating that poverty remained the region's most intractable development problem, which required the concerted effort of Governments, donor countries and international organizations.

32. The second imbalance related to the situation in the region's 11 least developed countries, which also had the disadvantage of being land-locked or small and isolated island States. ESCAP had adopted resolutions to promote investment in those countries and to encourage them to benefit from the experience of other countries in the region, but the main impetus for truly integrating them into the mainstream of the regional and global economy must come from the forthcoming Second United Nations Conference on the Least Developed Countries, to be held in Paris in September 1990.

33. The challenges faced by the countries of Asia and the Pacific were prompting them to rediscover solidarity and the value of regional co-operation, whose importance the General Assembly had recognized in the Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries (resolution S-18/3). Strengthened regional co-operation among the countries of Asia and the Pacific would certainly be a powerful catalyst for national efforts to hasten economic restructuring. In his view, growing interregional trade and investment were bound to give an irreversible boost to restructuring and regional co-operation. The latter had been the chief topic of discussions during its forty-sixth session and would most likely be so at the 1991 session.

34. Since the adoption on 20 April 1988 of the Jakarta Plan of Action on Human Resources Development in the ESCAP Region, ESCAP had focused more than in the past on social questions, including the integration of women in development, education, urbanization and population matters. The ESCAP secretariat was currently preparing a social development strategy to be considered by a ministerial conference to be held in the Philippines in late 1991. In the Asian and Pacific region, population growth, which remained particularly rapid, had important implications for many planning areas, such as job creation, wages, improving the quality of life, dependence on agriculture and others. ESCAP would explore such issues at another ministerial conference to be held in Indonesia in 1992 with UNFPA co-sponsorship. That conference should provide a useful input to the international meeting on population to be held in 1994. In addition, ESCAP had decided to convene in 1992 a regional conference on urbanization strategies in the region. In a broader context, questions related to the need for sustainable and environmentally sound development would be studied at a ministerial-level conference on environment and development which ESCAP would organize in Bangkok in October 1990 with UNDP co-sponsorship and the co-operation of the Thai Government, the ADB and UNEP.

35. The environment and population conferences would both be funded entirely from extrabudgetary resources and ESCAP would depend to a large extent on that type of funding for the other two ministerial meetings planned. Since its regular budget had been frozen for almost a decade, the new tasks, such as those assigned to the regional commissions by the General Assembly in its resolution 44/226 on traffic in and disposal, control and transboundary movements of toxic and dangerous products and wastes, could hardly be given the

attention they deserved. ESCAP was striving to carry out its normal mandated tasks, but could not respond to the growing demands for technical assistance without the extrabudgetary assistance provided by developed and developing countries alike in the region—and by some outside it—and from multilateral agencies, especially UNDP. It was extrabudgetary funding that had enabled ESCAP to carry out, in 1989, technical assistance activities worth more than $20 million. The amounts pledged by 7 developed and 23 developing countries for 1990 represented a 4.2 per cent increase over 1989.

36. It seemed that the Asian and Pacific region could view the 1990s with optimism. Its assets were essentially its economic dynamism, the industrial strength of some of its member countries and, above all, the determination to modernize which inspired those countries and instilled in them the courage to help themselves. ESCAP, for its part, was resolved to assist its member countries in balancing the huge tasks involved in rapid industrialization and urbanization by giving its full attention to the social dimension of development.

37. Mr. ROSENTHAL (Executive Secretary, Economic Commission for Latin America and the Caribbean) said that, in 1989, the member countries of ECLAC had continued to face enormous set-backs and had been beset by stagnation with inflation; per capita GDP had fallen by 1 per cent for the year, that indicator having dropped by an average of 8 per cent during the past decade. Growth had been modest in Brazil and Mexico and better in Costa Rica, Paraguay and especially Chile; but there had been a marked decline in Argentina, Peru, Trinidad and Tobago, Venezuela and Nicaragua. Inflation had increased notably for the third consecutive year, especially in countries with large populations such as Argentina, Peru and Brazil, where the rate, as in Nicaragua, had been over 1,000 per cent. The other countries were more or less equally divided between those with an inflation rate between 20 and 99 per cent and those in which it was between 10 and 20 per cent, such as Mexico, where strict fiscal monitoring and a policy of harmonizing prices and incomes had brought the rate down from 52 per cent in 1988 to less than 20 per cent in 1989. Nevertheless, during the second quarter of 1990, inflation had been reduced in Argentina and Brazil and measures adopted at the regional level to maintain macro-economic balance made it possible to hope that the trend might be reversed.

38. Despite the relative stagnation almost everywhere, exports had continued to rise, in value and volume, in 1989, although at a lower rate than previously. With regard to imports, the level in some countries had risen as a result of trade liberalization and had fallen in others owing to recession stemming from adjustment and stabilization programmes. The overall outcome had been a surplus trade balance in 1989 of over $28 billion, but that had been neutralized by the rise in interest rates at the international level, causing the current account deficit to remain in the vicinity of $11 billion for the third consecutive year.

39. The fiscal crisis and macro-economic imbalances associated with the debt problem were still a source of instability despite the efforts to control them. Three of the region's countries—Mexico, Costa Rica and Venezuela—had entered into agreements to reduce the amount of their debt within the framework of the Brady Plan.[3] In 1989, however, 14 countries had been in arrears in servicing their external debt and, for the first time, three out of the four most indebted countries had been in that situation simultaneously. In addition, five countries had been behind in servicing their debt with multilateral bodies, and that showed how important it was for arrangements to deal with the debt problem not to focus solely on commercial bank debts.

40. In 1989, the ECLAC secretariat had finished implementing the programme for reducing the number of posts pursuant to General Assembly resolution 41/213, without affecting the Commission's work too adversely. The secretariat had continued to prepare its periodic surveys of the economy of Latin America and the Caribbean, organize seminars and carry out studies in various fields.

41. The Latin American Demographic Center (CELADE) had continued its study, training and advisory services relating to population. The Latin American and Caribbean Institute for Economic and Social Planning (ILPES) had been carrying out similar activities relating to planning.

42. It was noteworthy that many of the ECLAC secretariat's tasks were carried out in co-ordination with the specialized agencies and other United Nations bodies. ECLAC presented its regional viewpoint on the region's overall development and the specialized agency or body concerned provided the required sectoral approach.

43. In order to keep abreast of the situation at the national and subregional levels, the ECLAC secretariat relied on the activities carried out in the subregional and national offices. The subregional office in Mexico had been particularly concerned with supporting the interregional co-operation initiatives in Central America which were part of the peace and development process provided for in the agreements adopted by the presidents of the subregion's countries. As to activities in the Caribbean, the twelfth session of the Caribbean Development and Co-operation Committee (CDCC) had been held at Curaçao, the Netherlands Antilles, in December 1989, when the programme of work of the subregional headquarters for the Caribbean for the period 1992-1993 and the medium-term plan for 1992-1997 had been adopted.

44. In recent years, the ECLAC secretariat had also been engaged in supporting action in respect of intraregional co-operation, collaborating with the Latin American Integration Association (ALADI), the Andean Group, the Central American Common Market and the Caribbean Community (CARICOM). Pursuant to General Assembly resolution 44/4, the Commission had also

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[3] See *IMF Survey*, vol. 18, No. 6 (20 March 1989), p. 90.

attached special importance to co-ordination and co-operation with SELA.

45. However, ECLAC's work over the past year might best be characterized by its multidisciplinary interdivisional activities, which had resulted in a study that stressed the main lessons learned from the economic crisis of the 1980s and contained proposals for the development of the Latin American and Caribbean countries in the 1990s and beyond. The Committee of High-Level Government Experts, at its seventeenth session held in March 1990, had considered that study, paying special attention to the priorities for the development of Latin America and the Caribbean in the forthcoming period and to the views of the region's countries concerning the international development strategy for the fourth United Nations development decade.

46. The twenty-third biennal session of ECLAC, held at Caracas from 3 to 11 May 1990, had provided an opportunity to carry out a retrospective and prospective review of the region's economic and social development. The core document submitted at that session had received broad support from the delegations present, and that meant that the proposals it contained could be used not only as general policy guidelines but also to support the broad categories of priority action provided for in the future ECLAC programme of work. During that session, the Commission had adopted a resolution supporting the major thrust of those proposals and setting out the significant points of agreement on an international development strategy, as well as other resolutions dealing, *inter alia*, with support for Haiti in the context of the Second United Nations Conference on the Least Developed Countries, the intensification of ECLAC's activities in the fight against the illicit use of drugs and the strengthening of the Commission's work relating to the environment. It had also been decided that the regional meeting to prepare for the United Nations Conference on Environment and Development would be held in Mexico City in 1991.

47. At its twenty-third session, the Commission had again recommended the admission of Italy as a full member and had admitted Puerto Rico as an associate member. If the Council approved Italy's admission, ECLAC would have 41 member States and five associate members.

48. Lastly, he drew attention to the positive impact on the Commission's activities of the entry into office of a democratically elected Government in Chile, ECLAC's host country. The celebrations held on that occasion had shown that Chile had again become an international meeting place. The Commission's next session, to be convened in 1992, would be held in Santiago, subject to the Council's approval.

49. Mr. JABER (Executive Secretary, Economic and Social Commission for Western Asia) said that the countries of ESCWA welcomed the historic changes which were taking place on the international scene and revived the possibility of strengthening international co-operation and improving the channelling of resources towards resolving urgent economic and social problems, especially in the developing countries. They hoped that the developments would have positive implications relating to the armed conflicts which had caused so much suffering in the region.

50. International resolutions adopted for the purpose of reaching a just and comprehensive solution in the Palestinian and other Arab territories occupied by Israel had not yet been implemented and the Palestinians were still striving, through the *intifada*, to claim their legitimate rights to independence, self-determination and the establishment of their own State. The cease-fire concluded between Iraq and the Islamic Republic of Iran had brought positive results for both countries and the region as a whole; it was to be hoped that Iraq's peaceful initiatives would be reciprocated by the Islamic Republic of Iran in order to establish a just and lasting peace between the two countries. The Lebanese strife had, however, been escalating; it was hoped that the concerted efforts of the Arab countries and the international community would bring about a solution, support Lebanon's independence and unity and allow it to regain sovereignty over its territory. The historic role played by the United Nations in Namibia had had a significant impact on all the countries and peoples which suffered from regional conflicts and had raised their hopes of achieving an acceptable and positive solution to their problems.

51. The rapid developments in Europe had caused the Commission's member countries to fear that some economic assistance might be redirected by the rich countries to the detriment of the third world. Those countries were likewise concerned by the conditions they had to meet before being able to make use of scientific and technological advances in the industrial countries. The most direct reason for their concern, however, was one outcome of international détente, namely the mass emigration from the Soviet Union to a region already overburdened by high natural population growth rates and scarce water resources. The negative implications of such migration for the future of the Palestinian people in the occupied territories and its legitimate national rights were particularly disquieting.

52. With regard to regional co-operation, the Gulf Co-operation Council had continued to support co-ordination and integration in various economic and social sectors and fields. Several agreements governing the foundations of co-operation had been concluded among the countries of the Arab Co-operation Council.

53. The economic situation of the region had witnessed some improvement in 1989, GNP having grown by almost 3 per cent compared with 1.3 per cent in 1988. That improvement had been due essentially to higher oil revenues resulting from growth in world demand and a rise in oil prices. Despite the resulting positive impact on the member countries' balance of payments and Government budgets, those countries had continued to suffer from deficits. Some countries in the region were also burdened by increasing external debt, with its negative implications on the economic and social situation, as re-

flected, *inter alia*, in the devaluation of local currencies and higher inflation and unemployment rates. With the exception of agriculture, signs of improvement had nevertheless appeared in sectors such as industry, construction and tourism.

54. In the area of social development, the region's countries were endeavouring to reduce illiteracy, expand health services, reduce child mortality rates, develop programmes for care of the elderly and integrate youth and women in the development process. They were also tackling the problems of drugs and war victims.

55. The ESCWA secretariat was striving to consolidate development efforts and enhance co-operation and integration among the member countries. During the past year, it had done its utmost to improve the performance of the Commission itself and strengthen its relations with member States and specialized international, Arab and regional organizations. One of the most important developments in the Commission's activities had been a reduction of vacancy rates in the professional category, from 31 per cent in 1989 to less than 15 per cent. In addition, the ESCWA Advisory Body had held three meetings at which it had reviewed the Commission's activities and the technical consultative services extended to member States. Mr. Jaber had paid official visits to several countries with a view to establishing close co-operation between them and the secretariat. The result had been revived interest in the Commission's activities and increased use of its services.

56. The conferences, seminars and workshops held by ESCWA during the past year had helped to draw attention to several crucial issues, facilitated the exchange of views thereon and enabled future areas of co-operation to be identified. The Commission had organized a meeting in Baghdad, from 22 to 24 January 1990, of development experts to identify the goals and priorities which the region intended to achieve within the framework of the international development strategy for the fourth United Nations development decade. The Commission had also formulated its medium-term plan for 1992-1997, which had been approved by CPC. In seeking to strengthen regional co-operation and its role in the region's development, the Commission's secretariat had concluded memorandums of understanding with a number of regional bodies for the exchange of technical expertise, the implementation of joint activities and co-operation in programming new activities. It had also presented project documents to various bodies with a view to encouraging them to provide financial assistance for additional activities. From 21 to 23 May 1990, in Baghdad, ESCWA had hosted a meeting of executive secretaries which had dealt with a number of issues of common interest.

57. Lastly, he expressed his gratitude to Iraq, ESCWA's host country, for its continuous support of the Commission's role and activities and for all the facilities it had generously provided to enable the Commission to achieve better performance and stability.

The meeting rose at 1.15 p.m.

23rd meeting

Monday, 9 July 1990, at 3.10 p.m.

President: Mr. Chinmaya Rajaninath GHAREKHAN (India)

E/1990/SR.23

AGENDA ITEM 2

General discussion of international economic and social policy, including regional and sectoral developments (*continued*)

1. Mr. MEHDI (United Nations Industrial Development Organization) said that the 1980s had been a period of uncertainty and difficult adjustment for the world economy. The slow-down in the growth of world trade, combined with the reversal of the net resource flow between the developed and developing countries, had weakened the foundations for long-term growth and posed an immediate threat to the industrialization prospects of the developing countries. Deregulation, introduced to revitalize the economies of industrial countries, had had various effects. Industries had become more mobile and many firms had relocated production, subcontracting abroad and replacing local manufactures by cheaper imports. Only a few developing countries with relatively mature industries had been able to benefit from that globalized production network. The majority had been overwhelmed by increasingly severe external imbalances. In the process of structural adjustment, trade liberalization, privatization and deregulation had become increasingly important elements. Deregulation essentially built up pressure in favour of rationalization and greater economic efficiency in a more competitive market environment. It had become increasingly clear, however, that improved industrial performance also required

concerted rehabilitation and investment measures to raise productivity, as well as attempts to reflate the world economy.

2. The recent industrial record of the developing countries as a whole had been mixed. To a large extent, it reflected the impressive performance of certain countries that had already built up a relatively skilled workforce. The situation in many other developing countries was radically different. Their structural constraints and the limited growth of developed-country markets meant that the strategy applied by the newly industrializing countries was not open to them. In the least developed countries, the share of manufacturing value-added in GDP had actually declined. The problem was most critical in Africa, where 28 least developed countries were struggling for economic survival rather than consolidation and growth. The increase in population was outstripping economic growth and the decline in food production caused by natural disaster forced many countries to rely on ever-increasing basic commodity imports.

3. The debt burden and related debt-servicing obligations had drastically exposed the fragility of the region's industrial structure, especially in countries and industrial sectors heavily dependent on imported inputs. In many cases, industry had become a net user of national resources rather than a generator of surpluses. Capacity utilization of 30 per cent or even less was a common feature of industry in many African countries. Indeed, in some, a process of de-industrialization seemed already to have begun, making the industrial development of the region an even greater challenge.

4. It was too early to assess the global impact of the political and economic changes occurring in Eastern Europe. It was possible that, as the countries of Eastern Europe extended their trading links with developing countries, the latter would benefit directly from renewed growth in the area. In the short term, however, the impact of the changes on investment, financial flows and ODA could be adverse.

5. The move towards a single European market in 1992 was continuing. Estimates of the future positive impact pointed to an increase in growth rates of the order of 2 per cent of GNP within the European Community, over and above the normal growth of approximately 2.5 per cent. The crucial issue for developing countries was that, on balance, the single market should lead to more trade creation than trade diversion.

6. In all probability, external indebtedness would continue to have an adverse effect on the flow of investment resources to most developing countries. Commodity prices were unlikely to rise far enough to generate major investment resources for industry. Many developing countries would have to continue their endeavours to redress external imbalances in worsening social and economic conditions. Their task would be particularly difficult if they were unable to continue to rely on markets in the North for their cheap labour-based export products. The dramatic rate of technological change in developed countries posed a continual challenge to the industrialization efforts of developing countries and the rapid shifts in the global structure of both industrial production and trade added further to the vulnerability of industry in technologically under-equipped developing countries. Those factors would continue to affect the ability of many developing countries to pursue their long-term development goals.

7. Despite those concerns, recent developments, such as the possible elimination of the East-West divide and its potential to release enormous resources hitherto devoted to nuclear and conventional weaponry, could impinge favourably on a broad range of fields, extending from food to health and the environment.

8. Developing countries had, over the past two decades, made significant achievements but some of them, such as better health and longer life expectancy, were, ironically, generating economic pressures of their own. Development could no longer be measured solely in terms of greater GNP. Industry, agriculture or services could not be relied on as sole leading sectors. For all their promise, State planning and *dirigiste* policies had shown their limitations in both the poorest and more advanced centralized economies. At the same time, the other extreme of relying exclusively on market forces left open such crucial issues as the achievement of social equity and justice, the alleviation of poverty and the provision of critical services to the most vulnerable segments of the world's population.

9. In that connection, the emerging new perspective shown in the UNDP *Human Development Report 1990*[1] was reassuring. The concept of the human development index was both practical and necessary. It not only placed the achievement of development on a more meaningful level but served as a reminder of the essence of development: the promotion of social progress and better standards of living in larger freedom. Those were the objectives enshrined in the Charter of the United Nations and aspired to by the world at large, with the full support of the multilateral system of co-operation.

10. UNIDO was currently making every effort to play its part within the multilateral system. In carrying out those tasks, it had taken due account of General Assembly resolution 44/211 which was of major significance to the system's operational activities. The extent to which it could sustain its efforts depended both on the confidence of its major contributors and the provision of financial means whereby it could discharge its responsibility towards the developing countries.

11. UNIDO was currently confronted with arrears in contributions amounting to over $76 million, almost one year's regular budget. ACC had drawn attention to the serious programmatic consequences created by the lack of resources and the way in which it jeopardized international co-operation in all fields. It had requested all member States to pay their current and outstanding contributions promptly and in full and the Programme and

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[1] New York, Oxford University Press, 1990.

Budget Committee of UNIDO had recently echoed that plea.

12. The developing countries' problems were not diminishing. The paramount issue was how best to bring about the change that would better their lot. The best solution was to optimize the use of existing resources and determine how outstanding problems could be redressed by additional means. There would be some advantage in utilizing existing or new resources to fill gaps in the skills of developing countries so that prospects of long-term self-reliant development would be assured. In any event, the developing countries must be provided with more, not less, physical, technical and financial resources and in the most cost-effective manner.

13. The recent discussion at the thirty-seventh session of the UNDP Governing Council had raised two basic possibilities: Governments could manage the resources themselves or they could seek the help of the United Nations system in managing them. The first option was, for the present at least, not open to many countries, while the second touched upon the very essence of multilateralism: engendering a spirit of partnership and creating consensus. It pointed up the need to re-establish a viable framework for international bodies and underlined the significance of the current attempts to redefine the role of the partners within that framework.

14. The discussion had, however, been dominated by the issue of reimbursements. UNIDO had consistently maintained that the issue of successor arrangements for agency support costs went far beyond mere reimbursement and touched upon the very essence of the United Nations system and the strengthening of its capacity and knowledge, as well as its ability to provide impartial and effective technical services to the developing countries. The year ahead would be crucially important, as the agencies and UNDP worked out the details of the framework decision adopted by the Governing Council.

15. There was much to commend in that decision but a number of questions were still left open. While it adhered to the principles and objectives of tripartite partnership, coherence and co-ordination in the operational activities of the United Nations system, national execution, transparency and effectiveness, some important aspects might detract from the objective of enhancing the impact and quality of United Nations assistance so that the executing agencies would be enabled to provide more and better technical contributions.

16. The General Assembly and the Council itself had frequently stressed the need to enhance the coherence and effectiveness of the United Nations system. UNIDO and other partners had taken a number of measures which responded to what was urged in that context. There was a need to do more and to strengthen even further the policy framework within which those and other measures could be facilitated. The need to ensure the fullest possible consultation with the respective governing bodies of the United Nations system could not be over-emphasized, particularly in the light of far-reaching decisions to be taken very soon which would have a decisive impact on the questions of multilateralism, tripartite partnership and the respective roles of Governments, UNDP and the agencies in that partnership. The engagement of the members of the General Assembly and of the Council and their influence in shaping a viable system was vital.

17. The chief issue at stake was that of global survival. The world was faced with the task of repairing the malfunctioning systems of the privileged so as to promote the economic, social and political advancement of the underprivileged. Achieving that objective called for a complete realignment of development efforts. The mere increased interjection of capital or technology would not make weak economies strong, nor could cash alone dispel social disparity or economic inequality. In an interdependent world, adverse economic developments could no longer be contained in one particular country or region but must be addressed on an international scale. The crisis of development should not be heightened by a crisis of indecision within the multilateral system.

18. Mr. WALKER (Jamaica) said that the Declaration on International Economic Co-operation, in particular the Revitaliization of Economic Growth and Development of the Developing Countries (General Assembly resolution S-18/3) included those issues on which the Council had decided to focus its general discussion, resources for development and external indebtedness of the developing countries. In that connection, it recognized the need to promote domestic savings and attract foreign financial resources, the need for a substantial transfer of resources to developing countries and for enlarged market access, the importance of commodity exports to most developing countries and, above all, the need for a lasting solution to their debt problems. Clearly, increased trade would make more resources available to developing countries, both for investment and to assist with the debt burden. In particular, improved market access and better terms of trade were needed.

19. In practice those requirements had not been met. The Common Fund for Commodities was a pale shadow of what was really needed. Commodity and raw material prices continued to fluctuate widely and had remained depressed for the longest period of the post-war era. Countries must have an opportunity to earn their way by producing and exporting and it was to be hoped that the commitments and policies accepted in the Declaration would lead to a strengthening of commodity markets, improved market access and fair and competitive market opportunities.

20. Despite the need for increased investment, developing countries continued to be net transferers of resources to developed countries and to achieve very low levels of investment. Growth could come from only two sources: more efficient use of existing capital and the investment of new capital. Historically, developing countries had been able to rely on the surplus capital of the more developed. The last 10 years, however, had seen a steady fall in private capital flows and no growth in real

terms of bilateral concessional aid. If developing countries were to grow, and if they could not compress consumption any further in order to secure additional investment, international economic co-operation would be meaningful only if it resulted in capital transfers. Moreover, improving the efficiency of existing capital required improving human skills, which in turn meant a greater flow of technical assistance to developing countries.

21. Instead, substantial resources were moving out of developing countries to meet debt-service payments. In Jamaica, 40 per cent of foreign exchange earnings had to be used for debt service, leaving 60 per cent to meet normal import needs including that of capital goods. Without a substantial reduction in the cost of debt-servicing no workable solution could be devised.

22. Some relief had been provided in the case of commercial debt and official bilateral debt, and more appeared likely. However, no progress had been made on multilateral debt and, since private capital flows had virtually ceased, developing countries had been forced to rely increasingly on multilateral loans which offered no opportunities for refinancing or rescheduling regardless of the recipient's economic circumstances. Consequently, a number of countries were repaying more than actual and even potential loan inflows and were therefore net transferers of resources to the multilateral institutions. Between 1988 and 1990, the net transfer of Jamaican resources to those institutions had exceeded $450 million, more than 20 per cent of annual export earnings.

23. The situation demanded a remedy. The developing countries relied heavily on the multilateral institutions and would not advocate any solution that might endanger their financial health. However, agreements could surely be entered into to lighten the debt-service burden until a country's economy improved.

24. Many developing countries needed to undertake structural adjustment programmes. Most understood that, if their economies were out of balance, they had to adopt economic policies to adjust the imbalances. It was accepted that, unless orderly adjustment programmes were undertaken, balance would be achieved in a disorderly way with runaway inflation and catastrophic falls in real income. One of the primary tasks of the multilateral institutions was to help countries work out adjustment programmmes and provide financing to underpin the adjustments. In practice, over the past 10 years that obligation had resulted in the virtual take-over by those institutions of the decision-making powers of democratically elected Governments, since major donors and commercial lenders had adopted a policy under which their funds were available only to countries implementing adjustment programmes designed by one of the financial institutions. Those countries which were newly emerging into democracy should be strongly warned about that situation.

25. The developing countries did not object to the objectives of adjustment programmes but to the practice of setting detailed quantitative targets and specific policies and action. Countries should have the opportunity of achieving the objectives by exercising their own judgement. The multilateral institutions would still be able to veto the disbursement of funds if the objectives were not achieved but at least the country would have taken into account all the political, cultural, social and other factors in the type of policy it put into effect. Moreover, insistence on quantitative targets could be wholly unrealistic. Economies did not always react precisely as forecast by the institutions so as to achieve specific quantitative targets over short periods. The main concern should be whether the policy adopted was of the right kind and whether the economy was moving in a direction whereby balance would be achieved in the longer term.

26. One consequence of the structural adjustment programmes imposed on many developing countries had been a decline in both the absolute and relative share of education and training in national budgets. That trend should be reversed in the 1990s since primacy must be given to human resources in any development strategy. The development of human resources was essential for sustained economic growth and development.

27. Mr. MULINDAHABI (Rwanda) said that previous speakers had painted a vivid picture of the world economic situation with progress in some areas and widespread stagnation and even economic decline in others. Recent far-reaching changes made economic prospects for the new decade almost unpredictable.

28. His delegation welcomed the General Assembly's reaffirmation at its eighteenth special session of the responsibility of each country for its own development, and that of the international community to support such development. That principle, which clearly set aside all criteria of "conditionality", must find concrete expression through the mobilization of national and international efforts to promote development. That was the justification of ODA. Far from being a panacea, it served as an indispensable adjunct to the efforts of developing countries without the necessary resources to implement their economic recovery and development programmes.

29. As to the causes of the economic stagnation and recession in most third world countries, internal factors, such as drought, floods and other climatic hazards, should not be underestimated, but the fact remained that the developing countries' predicament was mainly due to a combination of external factors, such as the slump in commodity prices and consequent drop in export earnings, the diversion of export earnings to debt-servicing, deteriorating terms of trade, mounting protectionism and the net transfer of resources from South to North. Such distortions called for a profound revision of the international economic and trading system in the context of a new world economic order.

30. In an unhealthy international climate, macroeconomic policies, however sound they might be, were unlikely to yield good results. That was the lesson that emerged from the failure of the various programmes, strategies and other plans of action adopted in recent

years, and the generally unsatisfactory results of structural adjustment programmes.

31. He continued to hope that the international community would succeed in mobilizing resources to match the needs of the developing countries for better integrated development; if channelled through an international disarmament fund for development, the "peace dividend" might have potential in that regard. The African countries hoped for more support from the industrial countries for the African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation,[2] which was based on analysis of the economic situation in Africa and laid down guidelines for a more effective response to the African countries' development needs.

32. His delegation appreciated the various initiatives taken to reduce debt stock and servicing although they had not so far lightened the burden. He regretted the resistance to the adoption of an overall approach to the problem but was confident that the international community, which was fully alive to the gravity of the situation, would succeed in working out a concerted strategy to overcome the crisis. He renewed his delegation's call for an international conference on African debt.

33. He shared the optimism about the new impetus given to multilateral negotiations on economic and social development issues but would make no attempt to conceal the frustrations that his country shared with the majority of developing countries, particularly in Africa, with regard to the threat of marginalization at a time when the creation and strengthening of economic trading blocs was actively proceeding throughout the world. It was imperative that the blocs should fit into the context of regional and world integration and be guided by the principle of mutually advantageous co-operation and not by preoccupation with competition, which might widen existing gaps.

34. His delegation hoped that the consensus achieved at the eighteenth special session of the General Assembly would be reinforced during the various multilateral negotiations taking place or forthcoming in the Uruguay Round, the Second United Nations Conference on the Least Developed Countries, to be held in Paris in September 1990, the formulation of the international development strategy for the fourth United Nations development decade and the United Nations Conference on Environment and Development to be held in 1992. As one of the least developed countries, Rwanda attached particular importance to the Paris Conference and hoped it would result in further action. The recent meeting of African Ministers on the question had called on donor countries to double ODA by 1995 so as to reach the target of 0.20 per cent GNP by the year 2000 and to cancel the total debt of the least developed countries. In the circumstances, it seemed likely that the new programme of action for the least developed countries in the 1990s would make a real contribution to their economic recovery and transformation.

35. Mr. NOGUEIRA-BATISTA (Brazil) expressed his Government's sympathy with the people of the Islamic Republic of Iran on the loss and sorrow they had suffered as a consequence of the recent earthquake.

36. The impact of external indebtedness on resources for development was a central question for the developing countries. In Latin America the servicing of external debt at rates of interest much higher than those prevailing at the time when the debt was contracted was absorbing a substantial portion of domestic savings and restricting investment. At times the outflow of debt-service payments had reached the unbelievable level of 5 per cent of GDP, turning the developing countries into net exporters of financial resources to the countries from which they should be importing them. Since the start of the crisis, Latin America had exported net financial resources totalling $171.1 billion, more than double the amount received by Western Europe under the Marshall Plan.

37. Indebted countries were further hindered by the fact that debt service under the rescheduling arrangements had imposed a significant curtailment of imports, which were often an essential component of investment. Debt service had become a major non-tariff barrier to imports and a major obstacle to the modernization and opening of developing countries' economies to the outside world. It was also a source of fiscal imbalances and consequently a major factor in the acute inflation experienced by debtor developing countries during the 1980s. Despite economic decline, however, the democratic process had made great strides forward in Latin America over recent years. Impoverishment and economic hardship nevertheless remained sources of political and social tension and imposed severe strains on the consolidation of democratic institutions.

38. In its resolution S-18/3, adopted by consensus, the General Assembly had identified external indebtedness as a main cause of economic stalemate in developing countries and stressed the urgency of broad measures to reduce the stock and service of debt to enable vigorous growth to be resumed. The "enhanced debt strategy" recently introduced in creditor countries was a step towards alleviating the debt-service burden requiring not only more vigorous participation by creditor country Governments in the form of additional funding for IMF and the World Bank but also the introduction of regulatory changes to encourage private banks to agree to debt relief. External assistance should be timely and extended concomitantly with the structural adjustment efforts being undertaken by debtor countries.

39. The lack of discipline in the international monetary system had resulted in huge macro-economic imbalances within and among the major industrialized countries. That state of affairs combined with the erosion of the principles of the multilateral trading system had placed debtor developing countries in the position of having to meet unforeseeably large financial commitments while

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[2] A/44/315, annex.

simultaneously being denied access to financial markets and encountering increasing obstacles to their exports to developed countries.

40. In the related areas of trade and finance there were divergent trends. Financial markets were becoming increasingly global and increasingly unrelated to the international flow of goods. In the area of trade, expansion seemed to be the trend, in part at the cost of growing fragmentation and discrimination. If free trade as conceived by GATT was non-discriminatory and multilateral, the survival of the unconditional most-favoured-nation rule would be the ultimate proof of the success of the Uruguay Round.

41. The trade liberalization measures courageously undertaken by indebted developing countries were in stark contrast to the inward-looking trends in the industrialized economies. In spite of formal commitments to stand-still and roll-back, the developed market economies had been unable to resist internal pressures for additional protectionist measures in defence of their "sunset industries".

42. The trend towards bilateralism and regionalism threatened the world trading system. Intrinsically discriminatory trade blocs must not be allowed to become the successors of the ideological and military blocs at present rapidly disintegrating. At a time when the symbols of the East-West divide were being torn down, it would be unfortunate if beggar-my-neighbour policies should erect a new wall separating the North from the South. At a time when political and ideological differences were being bridged, the gap between poverty and wealth should not be left unbridged. Apart from the environmental threats to all arising from the perpetuation of poverty, demographic trends would inevitably push people to move across frontiers in greater numbers, most probably from the South to the North, a trend which would be extremely difficult to contain.

43. The new international political environment called for a strong political commitment by Governments to strengthening international economic co-operation based on pragmatic considerations as well as on solidarity. Peace between East and West could only have fully universal meaning if translated into benefits for the world as a whole. The resumption of growth should be first among the economic consequences of that peace. The Declaration adopted by the General Assembly in its resolution S-18/3 should provide a basis for a new solidarity that would make the world economic environment, if not more favourable and predictable, at least less hostile and uncertain. It was imperative to ensure that the 1990s would be a decade of opportunity and progress for all developing countries.

44. It had become increasingly clear over recent decades that Governments could not be the sole agents in solving the many problems transcending national boundaries. Non-governmental organizations had played a significant complementary role in promoting the protection of human rights and assisting in monitoring their observance. They had also been active in directing the attention of the public and of Governments to the question of environmental protection. In contributing to the preparatory work for the United Nations Conference on Environment and Development, they might be invited by the United Nations to raise the level of awareness about development issues and their implications both for domestic and for external national policies.

45. At a time of rapid change, it was important to be able to rely on a multilateral framework of stable rules for the orderly and productive conduct of international relations to the benefit of all, particularly the weaker countries. The forces of disintegration in the world trade system and the prevailing monetary and financial instability and uncertainty would have to be overcome, and he could think of no better forum for the integrated discussion of those issues than the Council as the focal point for the co-ordination of global economic and social co-operation. The time was ripe to initiate an exchange of views in the Council about the architecture of multilateral economic relations, and he understood that, in response to Council resolution 1989/111, the Secretary-General had asked the Director-General for Development and International Economic Co-operation to prepare a report on the strengthening of multilateralism, which would provide the Council with a basis for fruitful dialogue on that key question.

46. The PRESIDENT paid tribute to the long and distinguished service in the General Assembly, the Security Council and the Economic and Social Council of Ambassador Nogueira-Batista over a period of many years and wished him, on behalf of the Council, every success and happiness in his forthcoming retirement.

47. Mr. TOMIC (Observer for Chile) said that the Council's current session was taking place at a time of great promise that might be transformed into a threat or lead to greater solidarity between peoples and lay the foundations for a new type of civilization based on values other than the systematized selfishness and force that had characterized history since the age of the caveman. In the modern world, poverty was an injustice that could and should be righted. That was the judgement of a whole series of reports and conferences, including the Medellin Declaration, in which the bishops of Latin America had declared that the region was living in a state of sin based on institutionalized violence. The Council was not the place to enter into theological or philosophical debate, but it would be a betrayal of its very reason for existence if the Council did not seek to arrive at value judgements that were both ethically and pragmatically based on human rights. The Council and the United Nations system had been set up to do more than passively lament the consequences of the forces unleashed by others.

48. The current negotiations for the reduction of nuclear and chemical weapons had been sufficient to give mankind a sense of liberation. It was imperative however that efforts to eliminate weapons of mass destruction should be linked with the control of conventional weapons, which were draining the economies of the de-

veloping countries. It was well known that the major suppliers of conventional weapons were the four countries at the head of the nuclear club, the United States of America, the Union of Soviet Socialist Republics, France and the United Kingdom of Great Britain and Northern Ireland. It was, however, less widely known that the countries of Latin America, like other developing countries, were spending approximately $10,000 million a year to prepare themselves for a war of deterrence, prevention or aggression against their neighbours. That was not the fault of the poor countries that bought the arms. It was the fault of the rich countries that sold them.

49. In the modern world some regions enjoyed the benefits of scientific, technological and socio-political progress while others were still the victims of economic stagnation, poverty and a persistent lack of social progress. Over 1 billion people—200 million more than 10 years previously—lacked the basic necessities of life. But the globalization of markets for capital and human resources was inevitably growing. Many centrally planned economies were changing to a market-oriented system, but they had already possessed many of the features found in the advanced industrialized economies —sound social and physical infrastructures and skilled human resources—whereas the Third World lacked even those, and its efforts to undertake the necessary changes during the past decade had been thwarted by the unfavourable economic climate characterized by such factors as rising interest rates and shrinking capital flows. According to the *World Economic Survey, 1990* (E/1990/55), per capita income in the developing countries had fallen during the 1980s and investment had dwindled. The level of investment had remained low even when efforts had been made to give market forces a greater role. In consequence, the market mechanisms supposedly necessary for economic efficiency had often produced socially unacceptable results.

50. Those conditions seemed likely to persist in the 1990s. Economic growth in the developing countries had been modest in 1989 and was likely to slow in 1990. According to the *Survey*, per capita GDP growth would be less than 1 per cent in 1990. In Latin America and the Caribbean the fall was expected to be 3 per cent.

51. Despite implementation of the Brady Plan[3] the countries of the region had exported $28 billion to the developed countries in 1989. Debt-service requirements could not be reconciled with the need for greater investment and improvements in the standard of living.

52. Although beset by great economic difficulties, all but two of the Latin American economies had opted for democracy. Their economic situation was still precarious and it remained to be seen what success would be achieved by the welcome programme announced by the President of the United States, Mr. Bush.

53. The changed role of multilateral financial institutions had not resulted in a greater net transfer of resources to the developing countries. To IMF's macroeconomic conditionality had been added the microeconomic conditionality of many World Bank loans. The 50 per cent increase in IMF quotas had not yet been implemented. Nor did additional capital seem to be forthcoming to take account of further potential demands from the economies of Eastern Europe.

54. President Patricio Alwyn of Chile, in his recent address to the nation, had said that democracy and the defence of human rights could not alone lead to progress. Economic development was another fundamental requirement for a modern society. Progress towards greater equity was essential to political and social stability. As the Chilean Minister for Foreign Affairs had said at the XXth OAS General Assembly, the existence of marked inequalities, where only part of the population had access to the benefits of economic growth while the majority were excluded from modern living, constituted the major threat to the stability of democratic coexistence. Inadequate international trade rules, obstacles to financing and restricted market access impeded economic development, threatened institutional stability and frustrated efforts to promote social justice.

55. The Declaration adopted by the General Assembly at its eighteenth special session (resolution S-18/3) referred to the challenges and opportunities for the 1990s, recognizing the decade as an opportunity to give political expression to mankind's essential unity and to make progress towards a new type of civilization. As the European Community and the advance towards political union showed, such aspirations could not be dismissed as utopian.

56. Mr. BENHIMA (Observer for Morocco) expressed his delegation's condolences to the Government and people of the Islamic Republic of Iran on the tragic consequences of the recent earthquake.

57. Although the eventual consequences of recent events, including the upheaval in international economic relations stemming from the changes in Eastern Europe, could not be precisely assessed with certainty, their scope was evident. The changes had not yet had the desired impact on the world economic situation.

58. Although the 1 per cent fall in the growth rate in 1989 had had no substantial effect on the industrialized countries, whose growth had continued uninterruptedly for eight years, it had brought about a fall in international trade, in terms of value and volume, compared to the preceding year. The effect on commodity demand and prices had adversely affected the developing countries' economies, while the rise in interest rates had continued to frustrate their efforts to redress their economic situation in compensation for the sacrifices made under structural re-adjustment programmes. That point had been stressed by Mr. Bettino Craxi, the Secretary-General's Personal Representative on debt, in his report.[4]

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[3] See *IMF Survey*, vol. 18, No. 6 (20 March 1989), p. 90.

[4] A/45/380, annex.

59. The situation urgently called for a world-wide effort to plan an integrated approach to the problem of development. The complexities and interrelationships of the international economic system meant that market forces alone could not provide the solution. Only political undertakings, reflecting the interdependence and shared interests of all, would provide a lasting remedy for the poor economic performance which beset most nations. It was unjust that the efforts of Governments and peoples making structural adjustment sacrifices should be frustrated by the negative transfer of resources without any offsetting flow of investment or assistance. It was regrettable that the developing countries should be denied access to developed-country markets for the exports on which their survival depended.

60. The Uruguay Round of multilateral trade negotiations could, if successful, promote stable growth in the developing countries. But success depended on recognition of the need for a balanced outcome, based on the principle of differential treatment for developing countries. While reactivation of the North-South dialogue was a factor for equilibrium in the world economy, horizontal co-operation was also essential. Economic co-operation among developing countries should work outwards, from subregional integration to interregional co-operation. Morocco's faith in that form of co-operation was reflected in the strengthening of its trade with fraternal African countries, its fruitful co-operation in most spheres, including agriculture, fisheries and training, and its constant contributions to the Arab Maghreb Union.

61. Morocco hoped that the Second United Nations Conference on the Least Developed Countries, to be held in Paris in September 1990, would result in specific remedial action. The majority of these countries were in Africa and were heavily dependent on commodity export earnings. Morocco appealed to the world community, and to the developed countries in particular, to reduce tariff and non-tariff barriers to African exports of commodities.

62. Environmental protection was a continuing concern for the international community. The United Nations Conference on Environment and Development must define a strategy to control pollution and environmental degradation, while taking account of the human component and the resources available. Mankind's excesses were responsible for the destruction and depletion of natural resources, but mankind had the means to reconcile development demands and environmental protection. King Hassan II had recently called on States to devote 1 per cent of their GDP to ecological action that would contribute to social and economic development and the preservation of peace and security.

63. Nature could also pose a threat to man; a number of countries, including Morocco, had launched an initiative which had led to the proclamation by the General Assembly, in its resolution 44/236, of the 1990s as The International Decade for Natural Disaster Reduction. In that connection, his delegation welcomed the Japanese Government's decision to contribute to the financing of projects and studies, and invited others to provide similar support.

64. In that instance, as in others, the world community had a duty to deal with the problems which would affect future generations—depletion of the Earth's resources, the population explosion, environmental changes and the demands of economic and social development. A consensus was required on a strategy to take up those challenges by devising a widely acceptable, efficient and equitable model of socio-economic development in an ecologically sound and culturally rewarding environment.

65. Mr. KLIOUKINE (Inter-Parliamentary Union) said that the Inter-Parliamentary Union had entered its second century of existence and the last decade of the second millenium with a firm commitment to work in parallel with the United Nations at the parliamentary level. Its Statutes reaffirmed that commitment. During the past year IPU had dealt with many of the major issues on the Council's agenda.

66. The eighty-second Inter-Parliamentary Conference, held in London in September 1989, by which IPU celebrated its centennial, had examined an item dealing with the search for solutions to the problem of third world debt in order to ensure that the world had enough to eat. The discussion had been launched by the Director-General of FAO, and the Executive Director of UNFPA had also spoken. The Conference had unanimously adopted a resolution (see E/1990/NGO/6), in which it had, *inter alia*, called for sustained and adequate international support and co-operation in order to establish food security in developing countries. IPU agreed with the Secretary-General that retrogression in the developing countries might endanger regional and international peace, and believed that the unemployment and poverty to which it led were inadmissible and could create tension capable of threatening social peace.

67. The eighty-third Inter-Parliamentary Conference, held in Nicosia in April 1990, had examined the issues of employment, training and technology, in close collaboration with ILO, and had unanimously adopted a resolution (see E/1990/NGO/7). In order to increase IPU's contribution to development, its governing bodies had set up a working group to consider how it could make a better contribution to the North-South dialogue and to solving the problem of third world indebtedness. The working group was to present recommendations to the next Inter-Parliamentary Conference.

68. The Inter-Parliamentary Conference on Disarmament, convened in Bonn in May 1990 with United Nations support, had examined the current situation and the economic and social aspects of disarmament. It had called for compliance with the United Nations ODA target of 0.7 per cent of GNP within the next five years, massive debt relief to alleviate the debt burden and restraint in regard to arms transfers to the third world. The Conference had actively supported the United Nations role in disarmament and stated that United Nations peace-making and peace-keeping activities should be

adequately funded. An IPU Conference on Economic Co-operation in the Asia-Pacific Region, to be held in Bangkok in 1991, was being organized in collaboration with ESCAP.

69. IPU had recently established an *Ad Hoc* Committee on Environment to keep the main world-wide environmental issues under review and press for appropriate action by Parliaments. At its first meeting, the Committee had made recommendations on climatic change and the energy problem and had begun to prepare the IPU contribution to the United Nations Conference on Environment and Development.

70. At the eighty-third Inter-Parliamentary Conference, serious concern had been expressed about drug abuse and the resulting threat to health and to political, economic and social structures. In a resolution (see E/1990/NGO/5), the Conference had endorsed General Assembly resolutions on the implementation of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Pyschotropic Substances (resolution 44/140), the Global Programme of Action against illicit narcotic drugs (resolution 44/141), International action to combat drug abuse and illicit trafficking (resolution 44/142), and the Political Declaration and Global Programme of Action adopted by the General Assembly at its seventeenth special session on international co-operation against illicit production, supply, demand, trafficking and distribution of narcotic drugs and psychotropic substances (resolution S-17/2). In co-operation with the United Nations services in Vienna, it was launching a world-wide campaign in parliaments to promote the accession of States to the international juridical instruments on drug abuse and illicit trafficking. IPU had recommended that parliaments should urge their Governments to ensure that the United Nations drug abuse control bodies had sufficient funds to pursue and improve their activities.

71. IPU's Statutes provided that its 12-member Executive Committee should include at least two women and strongly recommended that women should be appointed to its Council. An Inter-Parliamentary Symposium was held at Geneva in November 1989 to consider the participation of women in the political and parliamentary decision-making process, and had noted that only 13 per cent of the world's parliamentarians were women. Participants had examined the legal situation with respect to equality between men and women and discussed measures that could foster women's participation in public life. IPU continued to conduct periodic surveys among all parliaments with a view to compiling information on the participation of women in political and parliamentary life and on the distribution of parliamentary seats between men and women.

72. An IPU observer mission sent to Namibia to monitor the electoral process in that country had corroborated the conclusion of the Secretary-General's Special Representative that the elections had been free and fair, and had paid tribute to the United Nations for its role in that process.

73. Mr. PARK (Observer for the Republic of Korea) expressed his delegation's sympathy with the Government and people of the Islamic Republic of Iran on the occasion of the recent earthquake.

74. In the new decade, the great economic challenges would be to achieve sustained world economic growth and reactivate the economic growth and development of the developing countries.

75. The *World Economic Survey, 1990* (E/1990/55) reported that, for much of the developing world, there had been no reversal of economic stagnation and decline in 1989, that many developing countries continued to be trapped in a vicious circle of debt, stagnation and social instability and that external indebtedness had, for a decade, been a main reason for the deterioration of the developing countries' economic situation. The magnitude and seriousness of the debt problem was well known and his delegation welcomed the recent action by some developed countries to reduce debt-servicing or provide debt relief for developing countries. In order to achieve a significant reduction in the external indebtedness of developing countries, however, a more comprehensive and effective mechanism had to be developed. Political will and a sense of shared responsibility among debtor and creditor countries and international financial institutions were needed.

76. The massive transfer of resources from developing to developed countries must be halted so that adequate resources could be made available for development. Reactivation of the developing economies demanded increased investment in the infrastructure, human resources development, agricultural modernization, industrialization and environmental protection. The developing countries needed to take steps to ensure the full use of local financial resources and to continue economic structural adjustment programmes that would favour capital formation and foreign investment, but external financial resources should be made available to complement and reinforce their efforts.

77. ODA was a major component of development financing and should be substantially increased during the coming decade. Efforts to ensure substantial concessional resources had also been a priority concern of the developing countries. The least developed countries in particular urgently needed additional resources. His delegation hoped that appropriate action would be taken at the Paris Conference.

78. Multilateral financial institutions should also have an enhanced role in development finance and should be provided with sufficient resources to support long-term development and facilitate structural reform. Special efforts would have to be made to finance programmes for alleviating the adverse social consequences of adjustment for poor and vulnerable groups. With the growing need for technology and access to markets, foreign direct investment would have a greater role to play in development. The early establishment of an international framework in that area would contribute significantly to world economic co-operation.

79. In an increasingly interdependent world, concerted and co-ordinated international efforts were needed to create a world economic climate offering greater support to developing countries. In that respect the fiscal, monetary and trade policies of the major developed countries were of central importance.

80. Closer macro-economic co-ordination, not only among developed countries but also between developed and developing countries, was also crucial to the harmonious development of the world economy. Multilateral development organizations should be revitalized to provide effective forums for policy dialogue.

81. An open multilateral trading system was essential for furthering growth and development. In that context, the vital importance of the Uruguay Round could not be over-emphasized. Efforts towards regional economic integration among developed countries should not be discriminatory or restrictive. Regional arrangements should seek to benefit the world economy as a whole.

82. With the efforts of Eastern European countries to re-establish their links with the world economy, a truly global economy was emerging for the first time since the Second World War. Those efforts should be fully supported, care being taken not to weaken international development co-operation with developing countries, particularly the least developed countries. The channelling to development of any savings resulting from reduced military expenditure as a result of the lessening of East-West tensions would greatly assist the developing countries.

83. The Government of the Republic of Korea had developed various international co-operation schemes, including a number of economic co-operation programmes with other developing countries. Over the past 25 years, more than 4,300 foreign trainees from 113 countries had been invited to the country and about 420 Korean experts and technicians had been sent to 59 countries. In 1987, the Government had established its Economic Development Co-operation Fund to provide soft loans for development projects in developing countries. The Fund was now in full operation and would continue to be expanded. His country's growing investment in developing countries, which now accounted for almost half of its total overseas investment, would contribute effectively to the industrial development of the developing countries concerned. The Korean Government had also contributed to the Korea-ESCAP Co-operation Fund and the UNIDO trust funds, which would help to enhance its multilateral economic and technical co-operation. The decision to hold ESCAP's forty-seventh session in Seoul was a further recognition of his country's contribution to regional economic co-operation. Its participation in the United Nations Volunteers programmes and its founding of Korean Youth Volunteers in 1990 would provide its young people with invaluable experience in development co-operation and help to promote genuine partnerships between the Republic of Korea and other developing countries.

84. Significant changes were taking place throughout the world and there were hopes of a new era and a better world. In that context, the role of the Council and the United Nations system as a whole was particularly important. The United Nations should continue to play a pivotal role in meeting the increasingly diversified and growing needs of the international community. His country remained committed to participating in international co-operation.

85. Mr. SHANNON (Canada) expressed the sympathy and condolences of the Canadian people and Government to the victims of the earthquake in the Islamic Republic of Iran.

86. The dramatic improvements in East-West relations and the corresponding reduction in international tension had been accompanied by a move towards democratic Governments, values and institutions, and free elections in a large number of countries had led to democratic Governments based on respect for political freedoms, civil liberties, a free press, freedom of speech and assembly and respect for the rule of law. It was hoped that the greater security afforded by the reduction in political tension would permit a reduction in military expenditure and a shift of resources to programmes for reducing poverty and tackling serious environmental issues.

87. The political achievements had been accompanied by progress in the stabilization of economies and adjustment of productive structures. The market-oriented approach to economic policy and development had been shown to be sound, while the central planning model had proved to be a failure. There was an emerging consensus on appropriate economic policies. The importance for national prosperity of promoting competitive exports and of integrating into the world economy was almost universally recognized. Developing countries were now relying more on market forces in determining prices, wages, interest and exchange rates and would thereby improve the allocation of economic resources and thus achieve greater efficiency and productivity. In many regions, there was a growing recognition of the importance of individual initiative and private entrepreneurship, and a realization that the private sector could be a dynamic force for improving productivity, international competitiveness and export earnings, and thus establishing a firm basis for sustained economic growth and social progress. With well designed underlying policies, the expansion of private sector activities could and should lead to more equitable distribution of income for both middle and lower income groups.

88. With respect to the availability of resources for development in developing countries, a number of trends were becoming clear. First, developing countries in Latin America and the Caribbean, Africa and Asia would require substantial new investment over the next 5 to 10 years to ensure sustained economic progress. There would also be heavy demands for capital to finance the modernization of the Eastern European economies.

89. Secondly, there were constraints both on official and commercial bank financing. In the 1970s and early

1980s, the Governments of the major industrialized countries had been able to expand ODA budgets and export credit programmes and the commercial banks had financed large investments in developing countries by recycling petro-dollars. Most industrialized countries now faced fiscal pressures which constrained any ODA expansion. The deteriorating creditworthiness of many developing countries made commercial banks cautious and selective in financing new investments in the developing world and also influenced financial flows from official export credit agencies. Developing countries would therefore have to rely more on generating domestic savings and attracting foreign direct and portfolio investment, and would have to base investments in their own economic and social infrastructures on rigorous economic and social analysis. In order to improve investor confidence and promote increased private investment and the return of flight capital, Governments must pursue credible and sustained economic stabilization and adjustment policies, leading to price stability, improved export competitiveness and increased productivity, employment and growth. The Governments that undertook the required domestic reforms, encouraged open markets and private entrepreneurship and relied on market forces would achieve successful economic performance in the 1990s.

90. Canada, which remained committed to an extensive development assistance programme throughout the world and to the development of multilateral institutions, would help countries to deal with structural adjustment problems and the social impact of change as they reoriented their productive and marketing structures, and to develop appropriate policies for the protection of the environment and conservation of natural resources. It would also continue to provide assistance in establishing primary health care and immunization against major diseases and in human resource development and education.

91. With regard to the shared responsibility for creating favourable international economic conditions and strengthened co-operation, Canada attached great importance to the successful completion of the Uruguay Round of multilateral trade negotiations. The importance of tariff reductions for improving market access, and of agricultural reform, including the elimination of export subsidies, must be recognized, and there must be greater discipline with respect to subsidies, safeguards, countervailing and anti-dumping measures and balance of payments.

92. There were important linkages between domestic economic policy reforms, improved confidence, new investment, transfer of technology and expanded trade opportunities. By pursuing open, export-oriented economic policies, developing countries could achieve improved international competitiveness and thereby enhance their capacity to generate increased export earnings.

93. Canada had played an active role in the Group of Seven, IMF and the World Bank in providing support for voluntary commercial bank debt reduction in middle-income countries. The Brady Plan provided a good framework for the orderly reduction of commercial bank debt. While debt reduction could help to restore economic growth, its effects would be marginal if debtor countries failed to implement sound economic adjustment programmes. Debtor countries must undertake strong economic policy reforms capable of attracting new investment flows and generating increased domestic savings. The Paris Club's application of the terms of the Toronto Economic Summit[5] in debt rescheduling for the poorest countries had made a real contribution, but many lower-middle-income countries owing a relatively small proportion of their debts to commercial banks had benefited little from the Brady Plan.

94. In addition to its forgiving ODA debts for the least developed countries, Canada had been among the first to remit the ODA debt of the sub-Saharan African countries. In April 1990, it had also announced the forgiveness of the CDN $182 million ODA debt of Commonwealth Caribbean countries. Since 1985, its official bilateral aid to all recipient developing countries had been provided on an all-grant basis.

95. Emphasis in structural adjustment programmes should be placed on measures for improving economic efficiency and attacking poverty. Developing countries should focus on the provision of basic levels of health and education, improved credit availability for micro-entrepreneurs in order to promote more equitable income distribution based on sustained employment opportunities, and a shift in resources from military expenditure to programmes for the elimination of poverty and for human resource development and environmental protection.

96. The creation of permanent, productive employment opportunities to increase the productivity and income-earning potential of the poor could be achieved through micro- and small-scale private enterprise development in the various sectors. The informal sector, which often played a key role in developing countries, should be encouraged and international financial institutions should be urged to promote such poverty-oriented adjustment measures. Governments could facilitate that process by creating conditions of confidence for small entrepreneurs and providing institutional support to micro- and small-scale farmers and business people, possibly in the form of management and technical advice, credit facilities and legal protection for the poor. In providing appropriate environments to reduce poverty, Governments must recognize the principles of accountability and transparency and ensure the full involvement of the poor and other vulnerable social groups in decision-making.

97. His delegation urged developing and developed countries alike to pursue environmentally sustainable development policies and allocate substantially increased resources to environmental protection. It was essential to act together to solve global, regional and national environmental problems. His delegation looked forward to

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[5] See A/43/435.

the United Nations Conference on Environment and Development to be held in 1992.

98. It was vital that the United Nations should take full account of the rapid and dynamic changes taking place in the world and formulate its development policies and programmes accordingly. With the increased recognition of the benefits of market-oriented policies, there had been an encouraging improvement in the quality of economic debate in the United Nations. Canada hoped the Council's discussions would reflect the dynamic political and economic changes and that support would be given to innovative approaches to the solution of economic and development problems. His delegation looked forward to open and substantive discussions on the important issues of economic stabilization and adjustment, poverty reduction and environmental protection.

The meeting rose at 5.50 p.m.

24th meeting

Tuesday, 10 July 1990, at 10.10 a.m.

President: Mr. Chinmaya Rajaninath GHAREKHAN (India)

E/1990/SR.24

AGENDA ITEM 2

General discussion of international economic and social policy, including regional and sectoral developments (*continued*)

1. Mr. XIE Qimei (Under-Secretary-General, Department of Technical Co-operation for Development) said that the recent economic development of developing countries had been very erratic. Some had made progress, while the vast majority had experienced prolonged stagnation and even decline. Despite continued efforts, the countries of Africa and Latin America were still confronted with a combination of adverse internal and external factors. Only some parts of Asia showed signs of continued progress, which even there was less dynamic than two or three years earlier. Deteriorating commodity markets, obstacles to trade, rapid population growth, slow rates of increase in aid levels and net reverse flows still impeded any self-sustaining growth in the developing countries. According to the *World Economic Survey, 1990* (E/1990/55), that pattern of growth was unlikely to change significantly in the next two years.

2. A major reason for that state of affairs was, without doubt, the lack of resources for development. That question was, of course, directly related to the external indebtedness of the developing countries. Their limited available resources were being used to service an enormous debt, to the detriment of the development programmes which offered them the only glimmer of hope.

3. Another factor that must be taken into consideration was the new dimension of East-West relations. It was to be hoped that that would not lead to a decline in ODA to developing countries. The special meeting of the Council, to be held on 4 and 5 July 1991, on "The impact of the recent evolution of East-West relations on the growth of the world economy, in particular on the economic growth and development of the developing countries, as well as on international economic co-operation", should shed more light on the matter.

4. He hoped that technical co-operation would continue to play an important role in the resources to be made available to developing countries, since it could help to build up their national capacities and thus increase their self-reliance—a process which General Assembly resolution 44/211 should serve to accelerate. The Department of Technical Co-operation for Development had already presented its views, together with a three-year schedule for the implementation of that resolution.

5. The Department had been contributing to international economic and social development by co-operating with Governments and assisting them in such major areas as development planning, public administration, statistics, population, natural resources and energy. Activities for technical co-operation with the developing countries, which had amounted to over $162 million in 1989, were described in detail in a document (DP/1990/56 and Add.1 to 3), which also dealt with the changes taking place in the modalities of technical co-operation.

6. Many Member States had pointed out that, while the types of technical co-operation offered must respond to changing needs, the tripartite system under which such co-operation was provided had withstood the test of time and must be maintained. Member States recognized and valued the special advantages of multilateral technical co-operation over bilateral co-operation or assistance from the private sector. Those advantages lay in the universality of the system, its political neutrality, its commercial disinterestedness, its accumulated expertise and its ability to tap specialized expertise worldwide. Above all, it provided an equilibrium to guarantee that the pri-

orities and needs of the developing countries were the sole criteria for technical co-operation.

7. Referring to decision 90/26, adopted by the UNDP Governing Council at its thirty-seventh session, on the overall framework for a new régime applicable to support costs, he expressed the hope that the new arrangements would enable technical agencies such as the Department of Technical Co-operation for Development not only to maintain but also to expand their technical expertise in order better to serve the needs of the developing countries. Technical co-operation resources should be increased in the spirit of the Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, adopted by the General Assembly at its eighteenth special session (resolution S-18/3).

8. The preparations for the international development strategy for the fourth United Nations development decade should pave the way for a process that would guarantee adequate resources for development during the 1990s, while providing additional resources to ensure that the debt problem ceased to be the main obstacle to the development of the developing countries. It was to be hoped that, when the Council met at the end of the decade, it would see an improvement in the economic and social situation in all countries, and particularly in the developing countries.

9. Mr. CHABALA (Zambia) said that his delegation fully shared the position of the Group of 77 regarding the important issues before the Council. The discussion of those issues was taking place against the backdrop of recent momentous events: relaxation of tension between the super-Powers, important initiatives in the Eastern European countries aimed at restructuring their societies and economies and Namibia's accession to independence after a long war of liberation.

10. The relaxation of East-West tension should lead to constructive dialogue and mutually beneficial co-operation, thus providing real opportunities for a significant reduction in military expenditure. The resources thus released could help to meet the economic and social needs of the industrialized countries concerned and also provide adequate support to Eastern European countries and substantial assistance to the developing countries. It was important to ensure, however, that no part of the financial assistance intended for the developing countries was diverted to the Eastern European countries. The Declaration adopted by the General Assembly at its eighteenth special session stipulated that support extended to the Eastern European countries must not detract from the high priority placed on international development co-operation with the developing countries. The needs of the developing countries were always pressing. Many of them suffered from stagnation and even decline and the standard of living of most of their peoples had deteriorated despite draconian adjustment efforts in Africa and Latin America and the Caribbean. Yet, in many cases, such efforts had not received the necessary support, primarily because such support was made contingent on the adoption of conventional structural adjustment programmes. The success of recent financial initiatives, including debt relief, had thus been greatly limited.

11. Although ODA in absolute terms was far below the level required to reactivate the economies of many debt-burdened developing countries, it was nevertheless essential for the effective use of other types of investment. Countries that had yet to attain the target of 0.7 per cent of GNP should therefore do so urgently. His country once again wished to express its appreciation to the countries that had continued to provide it with ODA, particularly in the past three years, when it had had to implement its own structural adjustment programme.

12. In the absence of adequate export earnings and private and official external finance, many developing countries had no alternative but to mobilize domestic savings, and for various reasons that was not an easy option. Nor was it easy to attract direct foreign investment in the absence of improved economic conditions. Such conditions could be secured only with the elimination of the debt overhang. Africa's external debt position had worsened in 1989 and was expected to deteriorate further. That debt now stood at 93.3 per cent of total regional GDP and 328.4 per cent of the value of export earnings. In 1989, debt service payments had resulted in a net negative transfer of resources of approximately $3 billion; that was both perverse and immoral considering that Africa had 28 least developed countries. Furthermore, the priority assigned to the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 (General Assembly resolution S-13/2) had yet to be reflected in practical assistance commensurate with the scale of Africa's economic crisis.

13. Action taken since 1987 to solve the debt problem, mainly at the bilateral level, had failed to produce any significant results. For example, only 12 African countries had benefited from the Toronto Economic Summit[1] initiative, which had led to the cancellation or rescheduling of only a very small part of their total debt. Efforts to alleviate multilateral debt had been even more limited, while the reduction of commercial debts had received little attention. It was generally recognized that the conditions established by the Paris Club fell far short of providing the necessary remedy to enable debtor countries to extricate themselves from their critical situation. As the Secretary-General of UNCTAD had said (21st meeting), there was a need to strengthen co-ordination between the Paris Club and donor groups.

14. Following its accession to independence, Namibia had become the tenth member of the Southern African Development Co-ordination Conference. Its admission and integration into the region would require concerted efforts by member States to provide it with the necessary assistance. The Council must recognize Namibia's need for special treatment, and international institutions

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[1] See A/43/435.

should be urged to provide that country with the technical and other assistance it needed.

15. The prospects for a peaceful settlement of the conflict in South Africa were now more promising than ever before. *Apartheid* was, however, still intact. The international community must therefore remain vigilant until *apartheid* had been completely eradicated. He also stressed the massive human and economic costs of acts of destabilization and aggression perpetrated against the countries of southern Africa by the South African régime. Those costs greatly exceeded the military budgets of the countries concerned and the amounts of official development assistance provided to them.

16. His delegation reaffirmed its support for the proposals contained in the report of ECA (E/1990/42) and in the statement made by the Executive Secretary of ECA (20th meeting). In particular, it reaffirmed its commitment to the African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery[2] and to the transformation and strengthening of the Multinational Programming and Operational Centres. It attached great importance to the intensification of the process of economic co-operation and integration in Africa with a view to the establishment of the African common market and economic community.

17. Mr. MOORE (United States of America) said that the Declaration adopted by consensus by the General Assembly at its eighteenth special session (resolution S-18/3) had revealed an impressive convergence of views on free markets, private initiative, national responsibilities for economic policies and political pluralism. That new consensus had come at a time when economic issues were attaining an international prominence hitherto reserved for political and security considerations. The United Nations must be ready to rise to those new challenges and opportunities. His delegation welcomed the forthcoming exchange of views with the executive heads of United Nations bodies on the impact of the recent evolution of East-West relations on world economic growth. That evolution should make it possible to establish a more appropriate agenda for global co-operation in the 1990s, including such issues as human rights, democratization and the reduction of military expenditures.

18. Recent discussions in the Conference on Security and Co-operation in Europe, held in Bonn from 19 March to 11 April 1990, had led to the adoption of useful principles for mutually beneficial economic and commercial relations. Those principles took account of the need for co-operation among participating States to encourage political and economic reforms centred on a market-based economy and pluralistic democracy. The United States intended to support the emerging democracies of Eastern Europe by providing emergency assistance based on need, technical and financial assistance for making the transition from a controlled economy to a market economy and support for the integration of those new democracies into the international economy.

19. Over the longer term, it was likely that the dynamic effects of Eastern bloc integration on the growth of the world economy would benefit the developing countries, particularly by providing new trading partners, new sources of investment and new contributors to the development process. Meanwhile, the President of the United States had launched, in June 1990, a major new programme (the "Enterprise for the Americas initiative") aimed at easing the debt burden of the developing countries in Latin America and expanding trade with those countries. The programme was intended to enhance mutually beneficial co-operation between creditor and debtor countries in order to expand trade, increase capital flows to the region and improve the economic growth of countries undertaking appropriate economic policies. It could also play a major role in environmental protection. It provided specifically for debt-for-nature swaps and the creation of environmental trusts.

20. Despite budgetary constraints, the United States continued to implement a strong aid programme. Its disbursements in 1990, both to bilateral recipients and to multilateral development banks, were expected to exceed the 1989 level. Concessional aid had also increased. There had, however, been a decreased flow of private investment. To remedy that situation, developing countries had already begun to pursue economic policies aimed at expanding their growth potential and increasing investors' confidence. Significant progress was being made in the implementation of the Brady Plan,[3] several countries having already concluded financing agreements with commercial banks. The United States was also concerned to meet the special needs of the poorest countries: it had cancelled $850 million of loan debts of 14 sub-Saharan African countries that were pursuing economic reforms and was providing resources through IDA.

21. Among the various items on the agenda, his delegation was particularly interested in the draft resolutions submitted to the Council on the Chernobyl nuclear power plant and on the problem of narcotic drugs, both of which it had co-sponsored. It intended to submit further draft resolutions on refugees and on entrepreneurship. It anticipated that the discussions on the question of development would reflect the work carried out by the UNDP Governing Council at its thirty-seventh session. The complex and controversial examination of funding and of allocation of resources for the next five years had entailed some sacrifice from all Member States, and his delegation commended the spirit of compromise that had prevailed on that occasion.

22. In the light of the many current economic and social problems all over the world, the Council unfortunately did not appear to be equal to its task. In view of the wide powers conferred on it by the Charter of the United Nations, it must better manage its mandate as the clearing house and co-ordinator for all those problems.

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[2] A/44/315, annex.

[3] See *IMF Survey*, vol. 18, No. 6 (20 March 1989), p. 90.

The Council had fallen victim to a kind of protectionism: it protected itself from the harshness of serious decision-making and from the discipline required in making serious contributions to progress. Ironically, at a time when global socio-economic development was moving forward in ways which the United Nations had been designed to facilitate and enhance, the Council was perhaps too stultified and redundant to put the dreams of the Charter into practice.

23. The United Nations system must look to the Council to become more efficient and responsive to needs. The rationalization of the economic and social sectors of the United Nations system would have a positive impact on United Nations accomplishments in the political and security spheres.

24. Recalling that the Council was required to supervise the largest agglomeration of interrelated programmes and activities in the entire United Nations system, he said that all its members, including the United States, must discharge more seriously and conscientiously their heavy responsibilities towards the disadvantaged and vulnerable groups to which the programmes of the specialized agencies were directed. The Council had an opportunity to educate and enlighten the General Assembly in various ways in its consideration of economic and social issues. It was also responsible for setting the priorities and co-ordinating the activities of the specialized agencies in the economic, social and related fields.

25. The process of reform of the Council should comprise measures in three major areas. The first covered macro-intergovernmental organization and structure and relations between major bodies, such as the Council and the Second and Third Committees of the General Assembly. Rather than deal at that level with radical adjustments in structure and authority, it might be preferable to direct revitalization towards improved methods of work, involving a more thematic approach, greater use of experts, "brainstorming" sessions, reduced numbers of meetings, organization of work on a biennial or triennial basis, etc. The second area comprised a middle category of structural and financial questions, including, for instance, the organization of the secretariat, consolidation of subsidiary bodies and rationalization of documentation. The third area covered co-ordination among interconnecting mechanisms and the efficacy of United Nations development activities.

26. In engaging in reform, the members of the Council must neither ignore the efforts of the past nor be inhibited by them. Advantage must be taken of the Secretary-General's imaginative leadership in that regard. Lastly, his delegation affirmed its desire to co-operate with other delegations in those efforts to increase the Council's capacity to meet the challenges before it.

27. Mr. MONTAÑO (Mexico) said that now was the time for the spirit of conciliation in international relations to be reflected in the economic field. The changes taking place might, however, also involve the risk of aggravating the economic disparities between developing and developed countries. While the structural changes were limited to a single geographical region, the imbalances between North and South were increasing. The critical economic situation in the countries of the South would shortly lead to such serious imbalances that it might be difficult for those countries' weakened social and political structures to sustain them.

28. The Declaration adopted by the General Assembly at its eighteenth special session (resolution S-18/3) confirmed the will of all Member States to correct the imbalances in the world economy, but it was not enough in itself. The international community must enter into more detailed and specific commitments to put the provisions of the Declaration into practice.

29. His delegation reaffirmed its belief that the debt crisis was not merely the result of the implementation of the wrong policies in the countries concerned. It was also the result of imbalances created by the economic policies followed by the industrialized countries during the past decade and of financial imbalances in the major developed countries which continued to be reflected in high interest rates and financial and monetary instability.

30. Since the reduction of the stock of debt and debt servicing was the key to a solution of the external debt problem, the international financial community and the Governments of creditor countries must seek new mechanisms, in co-operation with debtors, to reduce debt further. Being aware that the commercial banks had not fully assumed their responsibilities in full implementation of reduction mechanisms, his delegation considered that the Governments of developed countries had to make greater efforts to change their financial and accounting practices, which could have a decisive influence on the attitude of banks.

31. The negotiations conducted by the Mexican Government at the international level to alleviate its foreign debt were reflected in a reverse transfer of resources and had generally had a favourable effect on the Mexican economy by creating a climate of confidence in the country's economic future. The Mexican strategy consisted of making structural changes through an export promotion policy for non-petroleum products, encouraging national and foreign investments and reorganizing government finance. Mexico thus hoped to overcome its economic backwardness and become better integrated in the new world dynamism. It did not claim that its experience should be regarded as an exclusive model. It had nevertheless shown that new methods could be worked out when creditors and debtors had a common determination to find a solution.

32. With regard to the problems of the environment and development, his delegation welcomed the statements by some developed countries which reflected their willingness to devise and put into practice the necessary measures to remedy the disturbing deterioration of the world environment. The United Nations Conference on Environment and Development, to be held in 1992, would not in itself be a remedy. It was essential, first of all, to conclude specific agreements that would respect

the sovereignty of developing countries and allow them to contribute to the improvement of the environment within their borders and within the limits of available national and international resources.

33. As to drug abuse control, his delegation hoped that the United Nations system would take more vigorous and better co-ordinated measures to strengthen and intensify its action in that field.

34. Mexico had succeeded in substantially reducing its birth rate, largely through the firm support of UNFPA. The international meeting on population in 1994 should offer an opportunity to strengthen the role being played by the Fund. In view of the urgency of the problem of world population growth, that was an area in which countries that could do so should show their solidarity. He welcomed the initiative of Ms. Sadik, Executive Director of UNFPA, in describing to the Council the programmes for co-operation among various United Nations bodies (21st meeting).

35. On the question of the revitalization of the Council, his delegation considered that the Council, as an essential cog in the United Nations machinery, suffered from shortcomings arising from a disparity between its mandate and its ability to respond to the new problems submitted to it. A thorough reform was therefore essential to enable it to face up to its new tasks more effectively. Its subsidiary bodies should, of course, also be subject to such reform. His delegation also hoped that, in accordance with the principle of revitalization and in order to make savings, serious consideration would be given to the possibility of organizing only one session annually. At the current stage, the desired changes had to be focused in a single direction and specific decisions should be taken to adapt the Council's methods of work to short- and long-term needs. His delegation was firmly committed to contributing to the achievement of that goal.

36. Mr. RIVAS (Colombia) said that, eight years after the eruption of the international debt crisis, the developing countries still awaited appropriate solutions to enable them to overcome their serious economic problems. The consequences of that unprecedented crisis were well known. Growth was stagnant in many developing countries and had regressed substantially in others. It was thus more urgent than ever to find a definitive solution to the external debt problem. If the same approaches continued to be advocated and if there was any further delay in finding valid solutions, the debtor countries would continue to be faced with the same cumulative socio-economic and political problems that had led to a serious deterioration in the living conditions in those countries. Moreover, the situation of the heavily indebted countries involved enormous risks of political instability. It could be asked to what extent democracy could hold out against poverty. That was a dramatic question for the peoples and Governments of Latin America that now more than ever faced the dual realities of poverty and democracy. While the challenge of freedom in underdevelopment was largely peculiar to those countries, the question of underdevelopment was an international problem, many aspects of which, such as the debt problem, could be solved only by concerted action by developing and industrialized countries.

37. Stressing the limitations and shortcomings of approaches to the debt problem based on voluntary measures, he said that there was a need to devise an original policy that would give priority to developing countries' growth and consist of new debt reduction and cancellation mechanisms. All the parties concerned—creditor and debtor Governments, commercial banks and multilateral organizations—had to take part in that task by sharing the burdens more equitably.

38. In his delegation's view, the negotiations should focus on two basic and complementary objectives: reducing debt servicing and guaranteeing continued financing. There were already some financing mechanisms that had made it possible to cancel part of the debt of the debtor countries, but their application had been of little benefit for reducing debt servicing, not to speak of the fact that some of those mechanisms had had negative effects on the achievement of the goals of monetary and budgetary stability. One way of effectively reducing transfers of resources would be to reach agreements on a reduction of interest rates.

39. In order to dispel doubts about the current negotiation strategy, the following measures had to be taken to establish multi-annual financing mechanisms, with long-term amortization and interest payment modalities; to create automatic mechanisms to curb external factors that tended to increase real financial transfers abroad; to ensure that new official financial flows actually provided additional resources and did not result in the replacement of one source of financing by another; to soften the financing policies of bilateral and multilateral credit organizations to facilitate the positive transfer of resources from those bodies to the developing countries. In addition, the Governments of creditor countries should change their financing and accounting provisions to ensure that the various proposed arrangements for debt reduction and new financing were viable.

40. It might take time to get that new approach under way. However, the situation of the debtor countries called for urgent decisions. Furthermore, the continuation of the debt crisis benefited neither creditors, which increasingly doubted their ability to recover their outlay, nor debtors, which were locked in a socio-economic impasse and found it impossible to plan their future development. It would be naïve to suppose that the existing problems could be overcome and part of the losses recovered by playing for time. It was obvious that the heavily indebted countries could not honour their commitments so long as the present structures of the international economy were maintained. For all those reasons, any viable solution to the debt crisis implied that the creditor banks must accept their losses and facilitate the negotiation process in order to break the vicious circle of external indebtedness and put an end to the economic torture of the heavily indebted countries.

41. The situation with regard to financial resources for development was critical. During the 1980s, official development assistance had remained well below the established targets. Private investments and the transfer of resources from international financial institutions had dropped sharply. The combined effects of that development and the external indebtedness of the developing countries had produced the aberration of a reverse transfer of financial resources. In 1989, Latin America alone had made a net transfer of $28 billion to other countries, and that meant that a corresponding share of its domestic savings had been used for that purpose instead of being invested in the development of the countries of the region. It could therefore be said, without being too far wrong, that the prosperity of the North had largely been accomplished at the cost of the sacrifices of the South.

42. It was thus the responsibility of the developed countries to take the first step by ending the discriminatory activities from which the less developed countries were suffering. It was enough, in that connection, to consider the unfair treatment, both in terms of trade and of prices, meted out to the developing countries' commodities, not to speak of the fact that the agreements on those commodities had gradually become devoid of any substance.

43. The importance of the Declaration adopted by the General Assembly at its eighteenth special session (resolution S-18/3) lay largely in the nature and scope of the commitments it contained. On the one hand, the developing countries had broken with a long tradition and had accepted responsibility for the management of their national policies as the key element of their economic recovery. For their part, the developed countries had firmly committed themselves to renewing the growth and development of the developing world and jointly confronting the problems of extreme poverty and hunger. The international community had a duty to support the developing countries' efforts and establish a favourable economic framework for their development. The time had come to take action. The developing countries could no longer simply listen to recommendations on how they should act that might be accompanied by proposals for the redefinition of the basic concepts of development and growth. The levelling down envisaged in the UNDP publication, *Human Development Report 1990*,[4] was probably satisfactory to those responsible for the more equitable distribution of the considerable gains of the past decade, but it was a disappointment to those who would like to escape from their present condition of poverty and underdevelopment.

44. Without sacrificing their people, endangering freedom and democracy or jeopardizing respect for human rights, the developing countries were determined to make the necessary adjustments in their economies. They hoped that the developed countries would do as much and would, without delay, make the necessary adjustments in the international economy and in their own policies.

45. Like many other speakers, the representative of Colombia would like to be optimistic about the evolution of the world situation and that of the developing countries in the 1990s, but he was concerned about the developed countries' slowness and lack of boldness. However, the developed world had reached an unprecedented degree of unanimity. It now remained to put the good intentions into practice. While boldness and imagination were important for that purpose, the truly essential ingredients for putting the world on the way to collective well-being were the political will and economic decisions of the developed countries.

46. Mr. MUSA (Observer for Malaysia) said that the stagnation and decline in economic growth in most developing countries had continued despite seven consecutive years of sustained growth in the industrialized countries, the firm growth of international trade and the adjustment policies applied by many developing countries. It was therefore more important than ever to take concerted action to help the developing countries escape from the vicious circle of low and even negative growth in which they were trapped.

47. The present structure of the international trading system favoured the developed countries and thus further widened the economic gap between them and the developing countries. Despite the growth of world trade, the international trading system had become less liberal. It was non-tariff barriers in particular that had restricted trade. In the second half of the 1980s, several developing countries had liberalized their import régimes with a view to improving their development prospects. Despite that initiative, protectionism in developed market-economy countries had not abated significantly. Non-tariff measures, which had been due to expire during that period, had been renewed and new measures had been introduced.

48. The time had come to take concerted measures to strengthen and improve the international trading system, particularly with a view to making it more responsive to the needs of the developing countries. His delegation therefore urged the developed countries to fulfil their commitments for the standstill and roll-back of protectionist measures and for making the GATT rules more transparent and predictable. Steps must be taken to ensure that the Uruguay Round of multilateral trade negotiations, the importance of which could not be overemphasized, resulted in enhanced export prospects for the developing countries. It was also of paramount importance that the regional integration process should avoid any restrictive practices and benefit the world economy as a whole.

49. At the First Meeting of the Summit-level Group for South-South Consultations and Co-operation, held at Kuala Lumpur from 1 to 3 June 1990,[5] the heads of State and Government of 15 developing countries emphasized

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[4] New York, Oxford University Press, 1990.

[5] See A/45/303, annex.

the need to find more innovative, comprehensive and flexible solutions to the external debt problem in order to reverse the net transfer of resources from the developing countries. That was linked to social stability and the consolidation of the democratic process.

50. Responsibility for solving the debt problem lay jointly with debtor countries, creditor countries, multilateral financial institutions and commercial banks. The developed countries should make further efforts to reduce internal and external imbalances, improve the functioning of the international monetary system, stabilize exchange rates and bring down interest rates. The recent initiatives aimed at reducing the stock of debt and debt servicing were useful, but they needed to be enhanced and broadened to take account of the many aspects of the problem.

51. It was important for developed and developing countries to work together to strengthen commodity markets and establish remunerative prices for commodities. He urged the international community to contribute to the effective functioning of the Common Fund for Commodities.

52. Since the beginning of the 1980s, rapid technological progress had had considerable repercussions on the structure of economies and on global patterns of consumption, production and investment. Science and technology played a pivotal role in the development process. It was therefore essential for the developing countries to improve their capacity in that area without delay. To that end, Malaysia had prepared an action plan designed to strengthen its technological capacity in the industrial sector.

53. The environment must be protected at all costs. The responsibility for such protection, which lay with the entire international community, must be equitably shared. The developing countries must therefore be given the technical and financial resources they needed to solve their environmental problems.

54. The report of the Secretary-General on the United Nations System-wide Action Plan on Drug Abuse Control (E/1990/39 and Add.1) provided an excellent overview of the activities of the various United Nations bodies in that field. The Secretary-General should be commended for having initiated the Action Plan, since the United Nations could play a major role in combating drug abuse and drug trafficking.

55. His delegation welcomed the positive changes in East-West relations, which had led to a relaxation of international tension and opened up new prospects for disarmament. It would be desirable to use those "peace dividends" to improve the economies of the developing countries. It was right for the international community to respond to the needs of the Eastern European countries, but the assistance those countries were given must not be at the expense of the developing countries.

56. Malaysia attached great importance to the Council's work and discussions. That was why it was seeking to become a member of the Council for the period 1991-1993. It hoped that it would thus be able to contribute constructively to the Council's future work.

57. Mr. YOUNIS (Iraq) expressed the hope that an understanding of all the problems that had contributed to the deterioration of the economic environment, together with the achievement of the objectives set forth in the Declaration adopted by the General Assembly at its eighteenth special session (resolution S-18/3) would make it possible to develop effective economic policies for the 1990s. The developing countries were approaching that period with many handicaps. In order to meet the challenges of the 1990s, all countries must reaffirm their complete confidence in multilateralism.

58. It was imperative for the international community to find the means of solving the external debt problem of the developing countries and to adopt measures to ensure the financing of development and remedy monetary and financial imbalances. The implementation of the international development strategy for the fourth United Nations development decade should make it possible to solve a number of problems and facilitate the development of the economic infrastructure which the developing countries needed in order to achieve good results from their structural adjustment policies.

59. Iraq was in favour of the integration of the Eastern European countries into the global economy. However, the assistance given to those countries must not detract from the assistance normally received by the developing countries.

60. The developed countries and international organizations must help the developing countries to increase their scientific and technological potential, which had an important role to play in the building of their economic infrastructure and in the acceleration of their development. Those countries were still lagging behind considerably in that area and it was important for them to be able to share in the benefits offered by modern science and technology. The transfer of technology to the developing countries was still very inadequate. Indeed, some developed countries had taken steps to prevent the developing countries from acquiring the scientific and technological resources they needed. In that connection, Iraq in particular was the victim of a savage and unjust campaign, but he was convinced that any attempts to deprive his country of what it was entitled to would end in failure.

61. Mr. PIRACHA (Pakistan) said that, while there was cause for rejoicing at recent events in the political arena, the same could not be said of international economic co-operation. The fall of the Berlin Wall must not obscure the fact that other walls were still in place and that they divided the rich from the poor nations, blocked the access of the developing countries' products to the markets of Western countries and impeded the flow of resources to developing countries. Those walls were just as unacceptable to the developing countries as the Berlin Wall had been to the German people and they must be brought down. For that purpose, the developing coun-

tries needed the assistance and co-operation of the industrialized countries.

62. In December 1988, the people of Pakistan had brought to power a democratic Government which was committed to the economic and social development of the country and the well-being of its people. Unfortunately, it had inherited an economy infested with multiple problems, the most serious of which were a rising budget deficit, a high level of debt, a deteriorating balance-of-payments situation and increased unemployment. To remedy that situation, the Government had initiated wide-ranging reforms and was implementing a structural adjustment programme aimed at achieving sustained economic growth. The role of the private sector had been strengthened through the liberalization of the rules in force and the adoption of a privatization policy. In the social sector, programmes had been initiated for improving education, health and employment and for relief of poverty. All those measures had already proved fruitful. In 1989, Pakistan had achieved an economic growth rate of over 5 per cent, while the inflation rate had stabilized and the balance-of-payments situation had improved.

63. It was essential for the developed countries to fulfil rapidly and completely the commitments they had entered into under the Declaration adopted by the General Assembly at its eighteenth special session (resolution S-18/3), so that the developing countries could extricate themselves from the straight-jacket of underdevelopment. In particular, an equitable and lasting solution must be found to the external indebtedness of the developing countries. Despite several initiatives, the progress made in debt reduction had been modest. Moreover, attention had been focused on the situation of the most highly indebted middle-income and low-income countries. There were, however, countries such as his own which had undertaken growth-oriented adjustment programmes, which had managed their economies prudently and which also had a heavy debt burden. Those countries derived no benefit from the initiatives in question. His delegation suggested that the international community should develop a new and more equitable strategy that would also take account of the situation of countries such as Pakistan.

64. The developing countries attached particular importance to the question of resource flows. In the past, ODA had done much to support the efforts of those countries to restructure their economies. Unfortunately, ODA flows had not kept pace with the rising needs of the developing countries. Every effort should be made to meet the target of 0.7 per cent of GNP for the developing countries and 0.15 per cent for the least developed countries.

65. The increased export earnings of developing countries could play a crucial role in solving the external debt problem. Since the industrialized countries were their main clients, any weakening of economic activity in those countries or the erection of barriers to international trade could have serious consequences. He hoped that all participants in the Uruguay Round of multilateral trade negotiations would benefit equitably from the results. It was essential to ensure that the interests of the developing countries were safeguarded in such vital sectors as textiles, clothing and agricultural and tropical products. The Multi-Fibre Arrangement, which was a derogation from the GATT rules, should be phased out.

66. Pakistan was closely following the dramatic changes in Eastern Europe, which were likely to have a significant impact on the medium-term development of the world economy. The developed countries and multilateral institutions should ensure that the provision of assistance to those countries would not detract from that normally received by the developing countries.

67. Environmental problems had rightly become a major concern of the international community. Environmental degradation had raised the spectre of the general poisoning of the planet. It was therefore to be hoped that the United Nations Conference on Environment and Development, to be held in 1992, would provide an opportunity to tackle all the various aspects of those problems. However, economic and social problems, which called for an urgent solution, must in no way be neglected. Pakistan fully shared the international community's concern about the future of the planet, but considered that the first priority should be to provide all peoples with a decent standard of living. The achievement of sustained and balanced economic growth and the search for an equitable solution to monetary, financial and trade problems would call for a concerted effort by the international community.

68. Mr. OKEYO (Kenya) said that, although the 1980s had been marked by a general slow-down in world growth, the developed countries had continued to go forward while the developing countries had stagnated or regressed. It was against that background that the General Assembly, at its eighteenth special session, had unanimously adopted the Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries (resolution S-18/3).

69. Such revitalization would necessarily depend on the response to two major questions raised in the Council during its general discussion: how to find the necessary resources for development and how to alleviate the external indebtedness of the developing countries. From 1982, when the debt "crisis" had first been spoken of, it had been one of the main obstacles to the socio-economic development of the developing countries. Since then, it had constantly worsened: the total debt of developing countries was now in the neighbourhood of $1,300 billion and the level of debt servicing had risen to such an extent as a result of raised interest rates that the indebted countries were now transferring more resources to their creditors in developed countries and multilateral financial institutions than they received. All the initiatives taken so far, such as those of the Toronto Economic Summit, the Brady Plan, the rescheduling of bilateral loans, the cancellation of some ODA loans, debt conver-

sion and debt-equity swaps, had helped to solve only a very small part of the problem. Those initiatives must be made more effective and, above all, a comprehensive and durable solution must be found.

70. The developing countries had been told many times that they should turn firmly to exports since trade was a powerful force for development. Through the structural adjustment programmes they had established, either alone or with the assistance of IMF and the World Bank, many of those countries had adopted the policies recommended, but most of the results achieved so far were not very encouraging. Furthermore, there had been a strong surge of protectionism and a gradual erosion of international trade rules just at the time when interdependence was constantly being affirmed. The Uruguay Round of multilateral trade negotiations had raised the hope of a revitalization of the world economy through the progressive liberalization of world markets and the re-establishment of an equitable, more open and truly multilateral trading system. Within its limited capacity, Kenya had been participating in those negotiations in good faith and in a constructive spirit.

71. Unfortunately, when assessing those negotiations, Kenya shared the doubts of other countries as to their outcome, mainly because of the difficulties encountered in several key sectors, particularly those related to market access. The negotiations were increasingly lacking in balance because inadequate priority was being given to issues of interest to the developing countries. At the same time, those countries, including the weakest among them, were under growing pressure to assume new obligations that were not only incompatible with their trade and development needs but would also have the effect of depriving them of their rights under the General Agreement on Tariffs and Trade. Kenya nevertheless continued to believe that the Uruguay Round would lead to successful and balanced conclusions that would place international trade at the service of sustained growth and development in the 1990s and beyond. For that purpose, greater weight would certainly have to be given to the interests of the weaker trading partners as against the egotistical interests of the stronger.

72. Mr. EL GHAOUTH (Observer for Mauritania) said that, on the initiative of the Under-Secretary-General for International Economic and Social Affairs, the *World Economic Survey* had become an essential working tool providing the Council with the type of information it had requested. In particular, his delegation welcomed the information contained in "Desertification and agricultural development in Africa" (E/1990/55, Box II.2). Such a section should appear regularly in the *Survey*, since consideration of the question of desertification took place only biennially and it was essential to have more regular objective data on the social and economic consequences of the phenomenon in various African countries.

73. In the spectacular climate of détente which pervaded the world, it could be seen that there was a willingness among all States to move ahead with negotiations on disarmament, particularly nuclear disarmament. In 1989, however, world military expenditure had reached nearly $1,000 billion—a figure almost equal to that of the external debt of the developing countries. It was partly because the arms race still absorbed such enormous amounts and also because the resources devoted to military research were still vastly in excess of those for civil research that the world was still suffering from a dramatic economic and financial crisis.

74. In the developing countries, particularly in Africa, the 1980s had been marked by recession and the debt burden unquestionably represented the major obstacle to economic recovery. In an effort to reverse that trend, many countries, including Mauritania, had undertaken far-reaching and often socially painful macro-economic reforms to liberalize their economies and make them more competitive, just when the international economic climate was deeply unfavourable to them, particularly as a result of the structural imbalances suffered by the major industrialized countries, the resurgence of protectionism and non-tariff barriers to trade in the developed market-economy countries, the collapse of commodity prices and the deteriorating terms of trade caused by erratic fluctuations in exchange rates, increased indebtedness, reverse transfers of resources and the absence of the necessary political will for the establishment of a new international economic order.

75. Since international economic co-operation in its present form was incapable of remedying the division of the world between affluent and disadvantaged countries, trade mechanisms should be reviewed and steps should be taken to ensure that the Uruguay Round of multilateral trade negotiations met with success for the benefit of all concerned. His delegation also expected much of the implementation of the Declaration adopted by the General Assembly at its eighteenth special session (resolution S-18/3).

76. Meanwhile, the bilateral and multilateral initiatives taken on behalf of the low-income indebted countries would be useful, but they should be accompanied by a reduction in the stock and servicing of all categories of debt. It was not enough to engage in an annual rescheduling, since, in the long term, the debt burden undermined any development undertaking. If all that was done was to apply the strategy based on the Brady Plan, however, the last of the indebted countries would reap no benefit before the end of the twenty-first century.

77. In the case of the low-income indebted countries such as Mauritania, it was the debt contracted with the multilateral financial institutions that posed the most difficult problem. However, the servicing of debts contracted by Mauritania with the World Bank had been alleviated by complementary grants from Sweden and Norway, for which his delegation expressed appreciation. Other donors should follow that example. With regard to bilateral official debt, Mauritania welcomed the decision taken by certain donor countries to cancel the debt of the poorest countries and, in that connection, it expressed particular thanks to the Federal Republic of

Germany. Overall non-concessional bilateral debt servicing in 1989 had been a very heavy burden for Africa: the rescheduling of that type of debt according to the arrangements based on the decisions taken at the Toronto Economic Summit was a step in the right direction, but action still had to be taken to strengthen that strategy, as its impact was still limited. To place the countries concerned on the path to growth, it was essential, as recognized in all the initiatives already taken, to cancel or substantially reduce their debt. His delegation therefore supported the idea of convening an international conference on African indebtedness with a view to finding solutions capable of breaking the vicious circle of external indebtedness and poverty. At the same time, it was essential to put an end to the net transfer of resources from the developing to the developed countries, which created an illogical and immoral situation. He urged the major developed countries to spare no effort to reach the established ODA targets of 0.7 per cent of GNP overall and 0.15 per cent for assistance to the least developed countries. He further hoped that the economic co-operation it was proposed to offer to the Eastern European countries would not be detrimental to co-operation with the developing countries.

78. In the light of the changes that were transforming the world, it was gratifying that the United Nations was showing dynamism and that there was unanimous agreement on the need to strengthen its role and its activities. Member States must respect their obligations and pay the Organization and its specialized agencies all of the contributions owed to them, since, without them, it would be useless to speak of restructuring and revitalization.

79. Mr. SENE (Observer for Senegal) said that the recent geopolitical developments in East-West relations and the changes that had taken place in Europe should open up an era of peaceful development from which it was to be hoped that the countries of the South would benefit. Senegal supported the initiative of the Group of 77 to convene the special meeting of the Council, to be held on 4 and 5 July 1991, on "The impact of the recent evolution of East-West relations on the growth of the world economy, in particular on the economic growth and development of the developing countries, as well as on international economic cooperation". Such a meeting should promote the adoption of measures to follow up the commitments entered into by the international community in the Declaration adopted by the General Assembly at its eighteenth special session (resolution S-18/3).

80. The Declaration, which was directed at renewing the North-South dialogue after a long interruption, should form a basis for the work of all international forums, whether related to the Uruguay Round, the formulation of the international development strategy for the fourth United Nations development decade, the second United Nations Conference on the Least Developed Countries to be held in Paris in September 1990, the United Nations Conference on Environment and Development in 1992 or the international meeting on population in 1994. If, despite the high socio-political cost, the countries of the South proceeded to make structural adjustment reforms, the world economy must in turn eliminate rigidity and imbalances in order to promote general growth. Only a global approach could promote the necessary concerted action in the interdependent fields of trade, commodities, external indebtedness, currency, resource flows and technology transfer.

81. Among the many outstanding problems, that of external indebtedness was one of the major obstacles to development and it must be solved so that the value of the human dimension of development could be enhanced. That was the view expressed by the Secretary-General in his statement to the Council (16th meeting) and by Mr. Bettino Craxi, the Secretary-General's Personal Representative on debt, in his report.[6] The representative of France (18th meeting) had also emphasized the need for progress in the treatment of debt and in providing the developing countries, particularly the least developed countries, with an increased volume of resources on concessional terms.

82. In Africa, where the 1980s had been particularly distressing, particularly in such areas as the Sahel, where the ecological balance between population and natural resources had been upset, there was anxiety because the future was still not clear. However, if the continent succeeded in preserving its environment, restoring its equipment and infrastructures and eliminating illiteracy and *apartheid*, it might constitute a viable economic area by the end of the century. In the present situation, it was important to promote its economic integration. Senegal, which had recognized that need at a very early stage, had just established a ministerial department for African integration which was also open to economic groups outside the African continent. That was also the meaning that the President of Senegal had attached to Senegalese participation in the First Meeting of the Summit-level Group for South-South Consultations and Co-operation, held at Kuala Lumpur from 1 to 3 June 1990, with a view to promoting South-South co-operation as a complementary dimension to North-South co-operation. The OAU was endeavouring, in the context of the Lagos Plan of Action,[7] to prevent the African continent from becoming destabilized or marginalized just when the rest of the world was on the verge of bringing about some extraordinary economic regroupings.

83. It was from that standpoint that the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 (General Assembly resolution S-13/2, annex) should be assessed. According to that Programme of Action, agriculture should be the key sector in economic recovery, supported by the restora-

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[6] A/45/380, annex.

[7] Lagos Plan of Action for the Implementation of the Monrovia Strategy for the Economic Development of Africa, adopted by the Assembly of Heads of State and Government of the Organization of African Unity at its second extraordinary session, held at Lagos on 28 and 29 April 1980 (A/S-11/14, annex I).

tion of industrial equipment and the transport and communications infrastructure. The African countries had fulfilled their commitments, but the international community had failed to meet expectations. Development must unquestionably be based on dialogue, a search for consensus, completely free individual initiative, respect for human rights and cultural values and mastery of scientific and technological progress. It also called for the participation of citizens in decision making and in the conduct of public affairs. In that connection, it had been gratifying to hear the representative of Italy (17th meeting), on behalf of the European Community and its member States, welcoming the adoption at Arusha, in February 1990, of the African Charter for Popular Participation in Development and Transformation. The time had come to establish development strategies that were better adapted to the situation and that prepared more effectively for the future and it was therefore also gratifying to note that, at the recent conferences in London and Maastricht, the first foundations had been laid for dialogue and co-operation in the 1990s between Africa and the donor countries.

The meeting rose at 1.20 p.m.

25th meeting

Tuesday, 10 July 1990, at 3.05 p.m.

President: Mr. Chinmaya Rajaninath GHAREKHAN (India)

E/1990/SR.25

AGENDA ITEM 2

General discussion of international economic and social policy, including regional and sectoral developments (*continued*)

1. Mr. MAIER (Deputy Director-General, International Labour Office) said that the rapid and far-reaching political and economic changes taking place in Central and Eastern Europe, in Latin America and southern Africa were in many ways positive. They were helping to dismantle the inhuman system of *apartheid* and the discredited monolithic systems of autocratic State control. They had the potential not only to replace confrontation by co-operation and to usher in a new era of peace, but also to stimulate more vigorous growth of the world economy and more widely shared prosperity. The United Nations system must ask itself whether it was prepared to meet the challenges of the changing times. For the central problem of poverty, economic stagnation, unemployment and underdevelopment remained as intractable as ever. Whatever benefits change might bring, the international community would be totally discredited if it failed to come to grips with that problem.

2. Fortunately, there were encouraging signs of a new realism, the most notable example being the Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, adopted by the General Assembly in its resolution S-18/3. It provided a realistic assessment of the experience of the 1980s, clearly identified the challenges and opportunities for the 1990s and contained a number of commitments, accepted by and directed to all nations. The major industrialized countries committed themselves to providing an auspicious international economic environment through co-ordination of their macro-economic policies, debt relief measures, concessional resources and trade and disciplined management of their economies. The developing countries committed themselves to a number of domestic policy measures in both the economic and social spheres. A framework was thus provided for contributions by the entire United Nations system to revitalizing development. The adoption of the Declaration was a first step. The broad guidelines had to be translated into effective and coherent action, particularly in the context of the international development strategy for the fourth United Nations development decade. For its part, ILO would continue to insist that human resources were those most valuable for development. However indispensable financial resources might be, they were wasted unless there was a trained, committed and organized labour force, enterprising management that treated workers fairly, and Governments committed not only to economic efficiency but also to upholding standards of social justice. Those facts were becoming increasingly clear from the experience of countries in the East and West, North and South, and had been highlighted in the valuable UNDP *Human Development Report 1990*.[1]

3. ILO also recognized that finding a solution to the problem of external indebtedness, and the creation and maintenance of an open trading system required a major effort of adjustment by all countries, rich and poor. With its tripartite structure, ILO could contribute to setting up the framework indispensable in a democratic system for

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[1] New York, Oxford University Press, 1990.

mitigating and counterbalancing possible negative social effects of the adjustment and reform process. Growth must be accompanied by a strategy of which social progress was an integral and major part. That implied that the conditionality associated with international financial assistance must be complemented by a firm national and international commitment to policies of social protection and advancement. Over recent years, ILO, in co-operation with other organizations, including the World Bank and IMF, had been seeking ways and means to reduce the burden of adjustment and enhance its longer-term social benefits, and it would continue to pursue that policy. ILO would also continue to insist that full productive and freely chosen employment should continue to be a major goal of development efforts in the 1990s. That goal had been proclaimed as such by ILO as long ago as 1964, but in the past decade it had tended to be forgotten. An opportunity had now come, as the Declaration adopted by the General Assembly pointed out, to restore a long-term perspective to development, in which employment must surely be given pride of place. It alone could ensure that human resources were more fully utilized for development, and that the benefits were more equally shared. ILO would also continue to insist on the importance of respect for human rights, particularly those of workers. Recent events had demonstrated how self-defeating were the systems that suppressed human creativity and treated people as mere resources to be moved around in the name of some grand design. The main threat to workers' rights might henceforth come not so much from discredited political systems as from those who advocated greater flexibility through deregulation of the labour market. No doubt greater flexibility was required to respond to rapid changes in economies, and no doubt people must be prepared to move to new jobs and different types of employment, but for an organization such as ILO, one of whose basic tenets was that "labour is not a commodity", such flexibility must not lead to the erosion of fundamental human rights, such as freedom of association and freedom from forced labour and discrimination, or to a lessening of the protection offered by basic labour standards.

4. In pursuance of all those objectives, ILO would continue to insist on the need for a free and open dialogue between the public authorities and employers and workers. In that respect, too, recent events had shown that the free expression of different interests and different points of view were essential to the functioning of a dynamic economy and to a pluralistic democracy. The more the major actors in the economy were involved in decision-making, the greater the chances that government policies would receive broad popular support.

5. The Declaration also called on the United Nations system to play a large role in international co-operation for development in the 1990s—a need also emphasized by the Secretary-General in his opening statement (16th meeting). It was appropriate to raise in the Council, to which the Charter of the United Nations had assigned responsibilities of co-ordinating its activities, the question whether the system was capable of facing up to that challenge. It too might need to make adjustments. The organizations of the United Nations system had their differing precise responsibilities in economic, financial, monetary, commercial, social and humanitarian fields. Each had its identity, structures and methods of work, and particular constitutional objectives. That very heterogeneity could be a source of weakness and fragmentation if the organizations failed to achieve at the international level the cohesion and unity of action whose importance they emphasized at the national level. Their aim must be to develop a common approach to the challenge of the 1990s, based not only on respect for the spheres of competence of each agency but also on a common set of goals and values. That approach would have to reconcile the need for greater rigour in economic policy-making with the no less imperative need for greater equity and social justice and a fuller respect for fundamental human rights. For its part, ILO was ready to participate fully in that effort.

6. Mr. HAWES (Observer for Australia) expressed his delegation's deep sympathy with the Government and the people of the Islamic Republic of Iran in connection with the recent earthquake.

7. In the lead-up to the international development strategy for the fourth United Nations development decade, the time had come to examine what had been achieved over the past decades in promoting greater equity between rich and poor nations, to assess the challenges of the 1990s and to consider the need to redefine approaches to development. That process would be facilitated by a series of major international meetings scheduled for the early 1990s. In spite of some significant progress, including notable improvements in such basic indicators as health and education and of the remarkable growth rates achieved in some regions, the development problem remained immense. Many developing countries had experienced severe economic stagnation and the gap between rich and poor had widened. However, the extraordinary changes taking place in some areas provided new opportunities to translate improved international political co-operation and stability into greater progress towards growth. The possibility of reduced defence expenditures, moves towards a more market-oriented and incentive-based economic system in many countries, and the increased interdependence of the global economy called for reassessment of approaches to the development process. Discussions at the eighteenth special session of the General Assembly and the general discussion in the Council had focused on a number of issues which would receive increased emphasis in the development debate during the 1990s: the interrelationship between environment, population and economic growth; the fundamental role of women in development; the importance of human resources development; and the protection of human rights.

8. The debt problem had inflicted heavy economic damage and exacted high human costs. It was primarily responsible for the existing net transfer of resources from developing to developed countries, and in many cases had contributed to economic stagnation, falling per

capita incomes, lower investment in capital infrastructure, reduced expenditure on health, education and welfare, and the diversion of increasingly scarce resources from structural adjustment programmes. His delegation believed that structural adjustment measures aimed at enhancing creditworthiness, encouraging external financial inflows and promoting domestic economic reform were necessary, but they needed to be supported by international efforts to maintain global economic growth, strengthen the multilateral credit system, reduce international interest rates and promote investment in the developing countries. Australia was particularly concerned that many countries in Asia that had the capacity to absorb substantially increased capital flows were prevented from doing so by the burden of indebtedness. The Asian region still contained most of the world's poor, and it should not be penalized for adopting sound structural adjustment policies by reductions in external assistance. The debt problem had directly boosted interest rates and contributed indirectly to lower commodity prices, phenomena which had a major impact on the economic welfare of developing countries and their ability to service debts and maintain adjustment programmes essential to long-term growth.

9. The trend over recent decades towards increasingly managed trade and rising protectionism, including discriminatory agreements and non-tariff measures—whose incidence had doubled over the past two decades and currently affected up to half of world trade—were distorting international trade patterns and denying efficient producers the opportunity to trade competitively in world markets. Domestic subsidization of uncompetitive sectors, particularly agriculture, was also hindering structural change and perpetuating inefficiencies. But trade was of critical importance to global economic co-operation and the revitalization of the development process. It dwarfed aid and other financial flows as a source of foreign exchange. The World Bank had estimated that protectionism was reducing the income of developing countries by an amount equivalent to about twice that of ODA. One of the most important contributions the developed countries could make to development was to open up international markets to developing-country exports and allow them to compete fairly in the global market place. Australia fully accepted its responsibility to contribute to the reform of the international trading system and to the dismantling of protective barriers and urged others to do likewise.

10. The Uruguay Round of multilateral trade negotiations opened the way for comprehensive reforms of particular interest to developing countries. Major trade liberalization and economic restructuring programmes had been implemented by many countries in Central and Eastern Europe, the Asia-Pacific region and Latin America, and the industrialized countries must recognize that continuation of that trend depended upon a successful outcome of the Uruguay Round, which should, therefore, be given the highest priority. Among the problems confronting commodity trade—on which many developing countries were still heavily reliant—was the failure of international agreements to stabilize markets significantly. Counter-cyclical measures, operating against the direction of the market, could not be relied on to have the desired results. Recent experience suggested that commodity agreements must be consistent with market realities.

11. Although the volume of development assistance was less than 0.4 per cent of GNP of OECD countries and only about 3 per cent of GNP of developing countries, its contribution to development had proved most valuable, particularly to poorer countries that failed to attract adequate private capital. Its flows had been broadly maintained, and it had attracted other external capital and assisted in the transfer of skills and in the financing of infrastructure development. Australia remained committed to reaching the 0.7 per cent target. Over the past two decades it had provided more than $A 12.5 billion in ODA, and over the past five years the amount had been $A 5.2 billion. Some 70 per cent had been allocated to countries in the Asia-Pacific region, and about 40 per cent to the least developed countries. Australia's assistance was provided on a 100 per cent grant basis and did not increase debt-service burdens. Its programme had undergone major changes in recent years and covered a comprehensive mix of activities aimed at promoting growth as well as providing direct assistance to alleviate poverty.

12. It was becoming increasingly obvious that development would not be sustainable unless there was a slow-down in the population growth rate, which was threatening to place unbearable strains on the environment, world food production capacity and the economic resources of many developing countries. The effects on the environment of increasing pressure from population growth and industrialization were threatening the welfare of all countries. Australia was firmly committed to supporting ecologically sustainable development but recognized that developing countries could only contribute effectively if they received appropriate financial and technological assistance. That was the principle his Government had endorsed in signing The Declaration of the Hague, of 11 March 1989, concerning the Earth's atmosphere and possible approaches to preserve its quality.[2] The Declaration recognized the special obligations of industrial countries to assist developing countries affected by changes in the atmosphere and to participate in international efforts. Australia was also participating actively in preparations for the United Nations Conference on Environment and Development to be held in 1992.

13. The international political and economic climate at the outset of the 1990s presented many new opportunities but also major challenges. The task facing the Council was to establish a constructive agenda for international co-operation in the economic, social and environmental areas over the coming decade.

14. Mr. OWOEYE (Observer for Nigeria) expressed his delegation's sympathy with the Government and

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[2] E/1989/120, annex.

people of the Islamic Republic of Iran for the loss of life and destruction resulting from the recent earthquake.

15. Following upon a decade in which the development process had suffered severe setbacks in many countries and in the midst of momentous changes in some parts of the world, the current session of the Council afforded an opportunity to reflect on the past and chart new paths for the future. The rapid advances in technology in the past decade had eroded traditional notions of comparative advantage, globalized financial transactions and accelerated the growth of economic interdependence. International economic policy co-ordination, which focused on only a few policy issues and involved the participation of few countries, had not delivered the expected results. The key players had given too little attention to such commonly identified weaknesses as inadequate international liquidity, restricted surveillance by multilateral financial institutions and an absence of symmetry in the adjustment process.

16. The existing international monetary arrangements had been based on the premise that both deficit and surplus countries would adjust to promote sustained growth. In reality some deficit countries had been required to adjust but not countries with surpluses or even some with deficits. That dual approach was harmful to countries urged to adjust in extremely difficult circumstances. Surplus countries had an obligation to provide adequate financial resources to underpin the efforts of countries undertaking adjustment.

17. The notion that sustained growth in the industrialized nations would serve as an engine of growth in the South had not been borne out by the events of the 1980s. In spite of eight years of uninterrupted expansion in the industrialized nations, the economies of the vast majority of the countries of the South had either stagnated or declined.

18. That pattern was attributable to escalating indebtedness, a sharp decline in commodity prices, protectionism, falling foreign investment and a net transfer of resources from the developing countries. The pervasiveness of decline and stagnation in developing countries during the 1980s suggested that poor domestic economic management was not the main culprit. External shocks had had a most harmful impact on many economies. In Nigeria for example revenue from oil sales had fallen from $25 billion in 1980 to $7 billion in 1988, external debt had risen from $3.4 billion in 1978 to $30.7 billion and there had been a drastic fall in living standards. Six African countries had fallen from the middle-income to the low-income category, while the number classified as least developed had increased from 17 to 28. Africa's debt had risen from approximately $48 billion in 1978 to an estimated $250 billion in 1989, with an accompanying phenomenal growth in debt service obligations. The terms of trade had deteriorated sharply, and per capita income and consumption levels had fallen dramatically.

19. The most urgent of the challenges facing the developing regions was the need to promote economic growth. The debt overhang would have to be eliminated, commodity prices stabilized, resource flows increased, and technological capacity strengthened.

20. The debt crisis and poverty had become particularly acute in sub-Saharan African countries; their debt had come to equal their GNP and amounted to more than 350 per cent of the value of their total exports. While the various relief measures proposed, including the Baker Plan, the Brady Plan, the United States debt relief plan for sub-Saharan African countries and the decisions adopted at the Toronto Economic Summit were welcome, some aspects of them were not adequate. He welcomed the Secretary-General's recent initiative in setting up a Special Commission under the chairmanship of Mr. Bettino Craxi to find a new approach to the debt problem. The measures adopted at Toronto might prove a useful first step in addressing the debt problem of sub-Saharan African countries, but its impact on debt reduction had so far been minimal. The Council's current session urgently needed to come up with an integrated debt management strategy capable of permitting growth and substantially reducing the stock and service of debt.

21. Mr. RASAPUTRAM (Observer for Sri Lanka) said that his delegation joined in the expression of condolences to the Government and people of the Islamic Republic of Iran on the recent earthquake.

22. The experience of the 1980s showed that the development problems faced by most countries were virtually the same and that there was no simple solution. The targeting of programmes to benefit the poor required the use of all available resources and means of production, including agrarian reforms and modernization of traditional technologies, so as to raise the informal or traditional sector's productivity and thus encourage transition to a free market economy. The developed countries should acknowledge that the development of third world rural economies required an alternative strategy, with political and financial backing, which should go beyond the conventional focus on capital and its ownership by promoting the individual's creative energy and self-reliance. One of the most pressing tasks was to integrate young people into society. Governments needed international support to help them reorient their policies so as to expand the role of youth in nation-building.

23. Protectionism was not only hostile to the developing countries but costly for the developed countries. It had been estimated that the European Community's Common Agricultural Policy, for example, could cost consumers as much as $100 billion a year. The removal of trade barriers could appreciably reduce the developing countries' dependence on aid.

24. Structural adjustment policies with World Bank and IMF support could not succeed while obstructions to export-led growth prevented the developing countries from extricating themselves from heavy indebtedness and while their problems continued to be exacerbated by exchange rate uncertainties, unfavourable terms of trade and the hardship of repayment efforts to avoid burdening a future generation with accumulated debt. Reverse

flows of resources, capital flight and neglect of environmental issues were some of the results.

25. It was hoped that the Uruguay Round of multilateral trade negotiations would succeed in removing some of the current imbalances and inequities, including tariff and non-tariff barriers and the growth of powerful trading blocs. The aim should be to promote the developing countries' self-reliance and to expand trade but, since that aim could not be achieved in the short term, the countries should be given international assistance. Such assistance would also help the industrialized countries since a more efficient allocation and use of resources on a global scale would minimize the risk of further world recession or inflation. Any future strategy must be based on equality for all trading partners, so as to promote investment, savings and growth capacity in all countries. The major Powers should promote confidence-building measures.

26. Human resources development was a task best approached with both national and international help. Participatory development was one of the most challenging ways of relieving unemployment. The aim should be to use resources to promote a dynamic enterprise sector and foster individual initiative and the market mechanism.

27. The transition taking place in the Eastern European and developing countries called for speedy reforms. But, because of the inevitable economic cost, the resultant social changes must be supported by programmes aimed at alleviating poverty. Sri Lanka's Janasaviya programme aimed at helping the poor to become self-reliant through saving and investment.

28. Mr. JAZAIRY (President, International Fund for Agricultural Development) said that, although the previous year had seen remarkable political changes, the past decade as a whole had been disappointing for development.

29. Sub-Saharan Africa had become a new locus of malnutrition and famine, sharp falls in per capita income in Latin America had aggravated the hunger in certain spots, and the dependence of some Middle Eastern and North African countries on food imports had increased alarmingly. In Asia, the numbers of hungry continued to rise in absolute terms, despite some countries' remarkable progress in agricultural technology. The inadequate resource flows and mounting debt faced by the developing countries underlined the urgency of strengthening multilateral economic co-operation without diverting resources from existing needs. It was disquieting, in that context, that ODA from the industrialized countries had fallen in 1989 by $1.6 billion compared to the previous year.

30. According to World Bank data, concessional flows to sub-Saharan Africa in 1989 had amounted to some $7.7 billion, out of total flows into the region of some $10.6 billion. Against that, the region's debt servicing obligations amounted to about $18.4 billion, of which some $8.7 billion had actually been paid, resulting in a net positive transfer to Africa of less than $1.9 billion, representing about $4 per person of external financing a year, of which the rural poor, especially those engaged in small-scale agriculture, received but a small share.

31. The challenge, therefore, was for the developing countries to make the most effective use of available resources, including hitherto underutilized domestic capacity, and for the developed countries to step up the transfer of resources for development and improve debt alleviation measures. IFAD's main aim was to mobilize additional resources to increase food production, reduce malnutrition and alleviate poverty. It thus responded to both sides of the challenge. It did not present a ready-made formula for all situations, but designed its projects to suit local requirements. Although it focused mainly on increasing food production, it also offered support for export and cash crops, where local comparative advantages existed, and, more recently, the stimulation of off-farm income-generating activity and small-scale rural enterprises. IFAD's lending was a safety net for the rural poor, who were particularly vulnerable to the debt crisis and the consequent austerity and adjustment measures. Most of the lending to low-income developing countries was on highly concessional terms, thus adding little to the debt-service burden. Resources were specifically targeted on poor rural groups, which in many developing countries represented most of the population but had benefited only marginally from many previous development efforts.

32. IFAD had taken other steps to make its lending responsive and prompt. Local procurement was about 73 per cent, compared to 36 per cent in World Bank projects. IFAD was also more flexible than other financial institutions about local and recurrent costs. It had also created special instruments to overcome delays in project preparation and implementation and had collaborated bilaterally with donors in special arrangements to finance debt payments from some heavily indebted countries. It was exploring the possibility of debt swaps in selected cases, using locally generated funds to finance local project costs.

33. IFAD's policy had for years been based on promoting private initiative. Even small investments and some improvement in access to productive services could and did help to raise output and income significantly. Project financing could produce returns of 15 to 25 per cent, comparable to those of more conventional investment, and by bringing the rural poor into the development mainstream helped to create the basis of a sounder economy. Given access to food and purchasing power through income generation, the rural poor would become a market for local output and even an engine of growth, instead of a welfare issue.

34. Participatory and group-based methods, which had been effective in improving the productivity of small farmers, could also stimulate communal activity to protect the environment. IFAD had sought to overcome the dilemma faced by small farmers on marginal lands where the individual struggle for survival often meant misusing the fragile environment. In addition to an environmental rehabilitation and conservation approach, in

1986 it had launched a Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification. Virtually all the additional resources of the $291 million mobilized had been allocated for 23 projects, approved and in an advanced stage of preparation, for 18 countries. An agro-forestry project in Senegal, in which the beneficiaries' voluntary labour accounted for nearly one third of the total project cost, was an example of the enthusiastic response to a participatory approach.

35. The Special Programme had enabled the Fund to raise its lending to sub-Saharan countries to about 55 per cent of the total. But unless there was further funding, that programme would end and IFAD's lending to the region would terminate by the end of 1990. The Governing Council, which met in January 1990, had urged the programme's continuation. A second programme phase, if made possible, would, *inter alia*, facilitate the promotion of the rational use of land and water, the creation of off-farm employment and improved links between primary and secondary rural sectors. The consultations with donor countries with a view to funding a second phase had been encouraging, although much more needed to be done if that phase was to be launched in early 1991. He hoped the Council would play as effective a catalytic role in that effort as it had during the Fund's third replenishment.

36. Mr. MAHIGA (Observer for the United Republic of Tanzania) said that his delegation offered its condolences to the people and Government of the Islamic Republic of Iran in connection with the recent earthquake.

37. While the developed market-economy countries continued to enjoy uninterrupted growth, the developing countries' share in world trade and output had lagged behind. According to the *World Economic Survey, 1990* (E/1990/55), the slow-down of growth in developing countries in 1989 had been one of the sharpest in recent years; Africa had experienced the worst decline in per capita output during the 1980s, and its prospects remained bleak. World market and climatic conditions had created overwhelming economic constraints and uncertainties for Africa, which depended more than any other continent on commodity exports.

38. The distribution of development finance was increasingly influenced by Adam Smith's market doctrine. Government policy intervention was needed, however, to direct resources to areas, such as poverty alleviation, rural and human resources development, the enhancement of women's contribution to development, environmental protection and measures to attract direct foreign investment, to which they would not otherwise go. Public financing of development was still crucial. ODA flows, despite their recent sluggish performance, should continue to fill a significant resource gap.

39. The diversion of financial resources away from the most needy could hurt the world at large as well as the developing countries. The "peace dividend" must benefit all. The three quarters of mankind which shared less than one fifth of world income should not remain outside the mainstream of world expansion of trade and output. Regional and subregional economic integration should not be allowed to replace a multilateral trading system by regionalism or trading blocs. The strength of the trading system lay in its multilateral framework, with rules and principles understood and respected by all trading partners, big and small.

40. As yet, no comprehensive measures had been taken to deal with the external debt problem and the burden was more onerous than ever. Africa's share of third world debt had reached $250 billion, roughly $420 a head. In 1989, 28 sub-Saharan countries had spent between 25 and 112 per cent of their export earnings on debt servicing. Because of the worsening external economic climate, the structural adjustment measures undertaken had not yet led to growth. Nothing short of substantial debt relief measures for Africa, especially the sub-Saharan countries, would rescue the continent from its plight. The cash flow savings from rescheduling under the terms set at the Toronto Economic Summit must be increased significantly and the "Report of the Expert Group on Africa's Commodity Problems: Towards a Solution"[3] should be speedily implemented. His delegation looked forward to studying the recommendations of the report of the Secretary-General's Personal Representative on debt, Mr. Bettino Craxi,[4] when the Secretary-General presented it to the General Assembly.

41. The Uruguay Round of multilateral trade negotiations would make a great contribution if developing-country exports were given unimpeded access to the industrialized nations' markets. Even that would be inadequate if export-promoting capacity was eroded through measures relating to new services issues. He hoped those misgivings would prove ill-founded. African developing countries would have to generate growth increasingly from within but would still depend heavily on an open, equitable multilateral trading system.

42. The United Republic of Tanzania had hosted the International Conference on popular participation in the development process in Africa and fully subscribed to the African Charter for Popular Participation in Development and Transformation (Arusha, 1990), adopted by the Conference, which the Assembly of Heads of State and Government of the OAU was expected to endorse at its twenty-sixth session. That development was people-oriented was no longer in question. The challenge was to ensure, through appropriate means and requisite resources, that increased productivity was made possible by and for the majority of people.

43. Ms. FIRDAUS (Observer for Bangladesh) expressed her delegation's deep sympathy to the Government and people of the Islamic Republic of Iran on the loss and damage sustained in the recent earthquake.

44. The recent relaxation of tension between East and West had brought the world to the threshold of a new era of stability and tranquillity, with rising hopes throughout the world for peace and progress. Ironically, the last dec-

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[3] A/45/581, annex.

[4] A/45/380, annex.

ade had been a time of contrast, of progress and retrogression, new opportunities and mounting crises, hope and despair. While the developed market-economy countries had seen the longest period of uninterrupted growth and expansion since the Second World War, the majority of developing countries had been saddled with the consequences of stagnation and an unfavourable external environment. Their growth rates had declined sharply and the least developed were in danger of being relegated to a perpetual marginal existence. At the same time, the North-South dialogue had been muted during the decade.

45. The challenge of the 1990s and beyond would be to give due attention to the notion of interdependence and particularly to bring about a more symmetrical relationship between the larger and more advanced economies and the smaller and more backward. The most daunting problem of interdependence was the increasing marginalization of smaller economies and their asymmetrical relationship with larger partners, exacerbated by their dependence on them. The only way to correct such imbalances would be to speed up the development of developing countries and ensure their sustained and rapid growth. The recent awareness of environmental problems should also serve to emphasize the need for close and co-ordinated global action on all fronts. No nation could be immune to developments in other less fortunate countries. All could be menaced by a new global crisis, which might well be demographic or health-related.

46. The first among the formidable development problems facing the developing countries was the debt overhang. The developing countries' total external debt stood at about $1,300 billion, necessitating heavy net transfers of resources to developed countries and resulting in a sharp decline in growth rates. Although there had been some welcome developments, including the Toronto Economic Summit decisions and the Brady Plan, they were not enough to substantially reduce the debt stock and debt service burdens of developing countries. Their coverage should be expanded and more emphasis should be placed on the multilateral and other non-commercial debts of developing countries. Debt relief must be accompanied by a substantial increase in the flow of development finance. In that connection, while the recent increase in the general capital of the World Bank, the ninth IDA replenishment, the agreement on increased IMF quotas and the increase in UNDP's overall resources for the fifth cycle were welcome, much remained to be done.

47. Action was also needed to improve the world trading environment and enable developing countries to make full use of their comparative advantage in all areas. A balanced outcome of the Uruguay Round of multilateral trade negotiations was of vital importance. She shared the Secretary-General's view that the major trading countries should demonstrate greater political will to facilitate the successful conclusion of the negotiations (16th meeting, para. 30).

48. The retreat from international action to stabilize commodity prices had been a further unfortunate development during the 1980s. As a result of the precipitous fall in commodity export prices, the developing countries had lost over $120 billion in export earnings. Debt relief and trade-related measures would not be enough to resolve the difficulties of the commodity-dependent developing countries. Action must also be taken to strengthen compensatory financing for commodity-related shortfalls and encourage diversification. Full use must also be made of the potential of the Common Fund for Commodities.

49. Turning to the question of the least developed countries, a draft programme of action had been formulated by the Preparatory Committee for the Paris Conference. Agreement had been reached on a wide range of issues, but a number of crucial issues relating to resources, debt, trade and programme monitoring and follow-up remained unresolved. She was confident that the political will to solve them would be forthcoming at the Conference.

50. Mr. PERMANAND (Trinidad and Tobago) extended his country's sympathy to the Government and people of the Islamic Republic of Iran in connection with the recent tragic earthquake.

51. The Council was meeting at a time of uncertainty about world economic performance, particularly about the prospect of an early reversal of the stagnation and negative growth experienced in the 1980s by developing countries. The principal causes of that economic crisis, which had been external and largely beyond the control of the developing countries, had been the deteriorating terms of trade and high interest rates, leading to the debt crisis and net transfer of resources from South to North. In addition commodity prices had plummeted to their lowest level in real terms during the post-war period and were still disastrously low. Commodity agreements and co-operation among producers had so far been unable to ensure remunerative price levels. Economic diversification had been proposed as the long-term solution, but the trade barriers against developing-country exports would have to be dismantled if that was to succeed. The developing countries had been encouraged by the Uruguay Round of multilateral trade negotiations and the commitments made to roll back existing non-tariff trade barriers and prevent the erection of new ones.

52. Obstacles to trade were particularly harmful to the economies of island developing countries, whose small size restricted production capabilities and limited the export capacity crucial to economic growth and development. Any export obstacles or price fluctuations had a devastating effect on economic performance, and shifts in production patterns were protracted and painful. At the final stage of the Uruguay Round, non-tariff barriers were unfortunately affecting an increased proportion of world trade, estimated in monetary terms to be at least $138 billion. His country was nevertheless convinced that GATT remained the best mechanism for achieving the broadest possible global trade liberalization. A successful Uruguay Round that took account of the interests of developing countries would encourage the efficient

use of resources required for sustained world-wide economic prosperity. Substantial financial resources could be derived from increased trade if developed countries removed the obstacles to the free flow of goods from South to North, thus demonstrating their commitment to assist in the revival of growth and development in the developing countries.

53. Most of Africa, Latin America and the Caribbean continued to experience serious debt servicing problems. As a direct result of the debt crisis, developing countries continued to suffer from a shortage of investment resources because of net transfers to the North. By 1988, even the Bretton Woods institutions had been absorbing net financial resources from developing countries.

54. Developing countries had responded to the debt crisis with a series of measures, including structural adjustment, which were being implemented at a heavy social and economic cost without bringing the hoped-for relief. No country with serious debt servicing problems at the beginning of the past decade had succeeded in escaping the debt trap. It had now been widely recognized that effective international measures were needed to complement national action.

55. The decisions adopted at the Toronto Economic Summit on more lenient rescheduling of the debt of low-income countries, together with action by France, Japan and the United States of America to deal with the debts of middle-income countries and the relief of ODA debts of Commonwealth Caribbean countries provided by Canada, were encouraging, but the debt reduction had been insufficient and no developing debtor country had been restored to creditworthiness. Substantial additional resources were needed to achieve the debt reduction necessary to reinvigorate the economies of developing countries. All types of debt must be covered and measures must apply to a broad range of debtor countries. With the continued withdrawal of commercial banks, the participation of the multilateral financial institutions and the provision of ODA on more concessional terms had become more crucial. The political dimension of the crisis would also have to be dealt with if there was to be an effective response to the problem. In that respect, debtor countries looked forward to the recommendations of the Secretary-General's Personal Representative on debt, Mr. Bettino Craxi.

56. With improved disarmament prospects, additional resources might be obtained by rechannelling part of the $1,000 billion a year expended on global military activities to socially productive uses and, in particular, cooperation for the sustained development of developing countries. Foreign direct investment should also play an important role. There had been a sharp decline in investments in developing countries and a concentration of capital flows among developed market-economy countries, greatly facilitated by the integration of their financial sectors. The developed countries should encourage the transnational corporations to increase their investment in developing countries through incentives and other policy measures.

57. It was encouraging that the participants in the eighteenth special session of the General Assembly had pledged themselves to advance the multilateral dialogue, to respond to the challenge and commitments of the Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries (resolution S-18/3) through national policies and enhanced international co-operation and to keep the implementation of the Declaration under political review. The Council was well placed to assist in reviewing and monitoring the implementation of the measures set out in the Declaration and in co-ordinating the input of the United Nations system.

58. Mr. VILLARROEL (Observer for the Philippines) joined in expressing solidarity and sympathy with the people of the Islamic Republic of Iran in connection with the recent earthquake.

59. Welcoming the presentation of Mr. Bettino Craxi's report to the Secretary-General, he said the international community should not wait until the debt bomb exploded into a conflagration similar in scale to war among nations before mustering the political will needed to find a lasting solution. The debt trap paralysed development, which meant hunger, disease, ignorance and fear. UNICEF's report *The State of the World's Children 1990* showed that it was the poorest and most vulnerable children who had paid the third world's debt, with loss of health and educational opportunities and with the sacrifice of their normal growth. Every child in the third world was indebted to the tune of $1,000 at birth and $7,800 at age 21, if he survived to that age. Moreover the heavily indebted countries had spent over 40 per cent of their export earnings on debt servicing instead of providing food, education and health. UNICEF proclaimed that the needs of children, as the most important development asset, should have first claim on resources, including those that might gradually be released if the world moved away from its long and wasteful preoccupation with war. A similar position was taken in the Declaration unanimously adopted by the General Assembly at its eighteenth special session (resolution S-18/3).

60. Finding an early and durable solution to international debt problems was the international community's most urgent task. It was indeed the *sine qua non* of revitalization of the growth and development of the developing countries.

61. Of all the challenges embodied in the Declaration, his delegation believed the debt trap should be given priority. The Council should lay the groundwork to enable the General Assembly to complete the formulation of a multilaterally agreed comprehensive strategy at its forty-fifth session for the speedy resolution of the debt problem. Given political will that would be possible. Debt reduction, hitherto dismissed as radical, had become an orthodoxy.

62. Mr. Craxi's report provided the elements for a solution. They were: (*a*) strengthening of the Brady Plan through increased resources and, where possible, a co-

ordinated strategy applied by an agency or committee within IMF, the World Bank and regional banks; (*b*) enlargement of the scope of application of the Toronto Economic Summit and Paris Club decisions to alleviate the official debt burden of developing countries through debt reduction, debt rescheduling and interest payment reduction; (*c*) an adequate flow of public and private resources to foster the development of developing countries; (*d*) the pursuit by developing countries of domestic adjustment policies agreed with international financial institutions and providing protection to the poor; (*e*) more active support through fiscal and accounting improvements in the industrialized countries' legislation to help creditor banks committed to reductions and new finance in indebted countries; (*f*) increased concessional resources of international financial institutions to fund Brady Plan operations; and (*g*) innovative debt swap formulas to finance development and environmental protection projects. In addition, an international debt facility should be created.

63. The debt problem, interlinked as it was with the issues of international trade, finance and development resources, could only be solved multilaterally, with regional and bilateral approaches forming part of a multilaterally agreed approach. There were great hopes that the end of the cold war would usher in a new global society, in which all peoples must reap the dividends of peace. The cold war had vitiated the developing countries' capacity to achieve social progress and it was only just that they should now become beneficiaries of peace.

64. Mr. PEYROVI (Islamic Republic of Iran) thanked all speakers who had expressed their sympathy and condolences and conveyed his gratitude to the international community, United Nations bodies and other international organizations for their assistance to the Islamic Republic of Iran. His delegation would give more detailed information on the earthquake when the Third (Programme and Co-ordination) Committee took up agenda item 13. Now that the reconstruction phase had been reached, the Islamic Republic of Iran hoped that the international community and the specialized agencies would participate actively in rehabilitation and reconstruction.

65. As the bipolarized world of recent decades was replaced by a multipolar economic community, the countries involved in détente should be able to make substantial savings that would enlarge their capacity to assist the developing and least developed countries. While the opportunities in Eastern Europe should not be neglected, neither should the needs of the developing countries be ignored.

66. During the 1980s world output had grown by just over 30 per cent, compared with 45 per cent in the 1970s, and world per capita output had declined by 1 per cent over the same period. Progress had been uneven. In developed market-economy countries, growth had declined from 3.1 per cent in the 1970s to 2.6 per cent in the 1990s, but per capita income had continued to increase by about 2 per cent a year over the decade. The figures for developing countries, except for Southern and Eastern Asia, had been discouraging. In Latin America, the annual GDP growth rate had fallen to just over 1 per cent in the 1980s and per capita GDP had declined dramatically. The situation had been similar in Africa and per capita output had declined in Western Asia. The setbacks had been largely due to external factors, such as the dramatic fall in commodity prices and worsening terms of trade. The combined external shocks had led to reduced investment, and the adjustment measures which many developing countries had been forced to adopt had not so far resulted in sustained economic growth. Every opportunity should be taken to change the present international economic trend to a more equitable and just pattern.

67. The third world had the potential for market expansion and the prospects of the advanced countries would to some extent depend on market expansion in developing countries, which in turn needed the advanced countries' assistance for their development. That mutuality of interest was an important dimension of world economic interdependence.

68. His country had contributed to and supported the programmes provided by ESCAP and had offered to host its meeting of ministers of industry and technology in 1991. At the sub-regional level, it had set up an economic co-operation organization with Pakistan and Turkey to boost trade relations and economic co-operation among neighbouring countries.

69. In an interdependent world, environmental hazards in the developing countries should also be of prime concern to developed countries, while the poverty problems in the least developed countries were the problems of the whole world. Great importance should be attached to the United Nations Conference on Environment and Development to be held in 1992 and the Second United Nations Conference on the Least Developed Countries to be held in Paris in September 1990.

70. At its eighteenth special session, the General Assembly had adopted by consensus a Declaration (resolution S-18/3) in which the conditions of growth and development in the developing countries had been identified and the main obstacles, problems and challenges in international relations spelled out. The immediate task of countries was to adopt suitable domestic policies while paying due attention to their impact on the world economy and to translate words into deeds.

71. Mr. OMAR (Observer for Egypt) expressed his delegation's condolences to the people and Government of the Islamic Republic of Iran, in connection with the disaster that had afflicted them, and to the Islamic community in connection with the recent death of hundreds of pilgrims at Mecca.

72. Economic recovery in the industrialized countries in the 1980s had not improved the situation in the developing countries. In fact, the policies pursued by the industrialized countries to curb inflation, contain wage increases and protect their national industry had adversely affected the interests of the developing countries. For

many of them, especially in Africa, the 1980s had been a wasted decade. Their external debt burden had increased, particularly in the case of developing countries in Africa and Latin America. The prices of commodity exports had fluctuated and investment rates had declined. In many developing countries, the worsening debt crisis had coincided with the adoption of structural adjustment programmes advocated by the Bretton Woods institutions, which clearly threatened to undermine their social fabric and political stability.

73. Referring to the far-reaching consequences for international trade of the forthcoming conclusion of the Uruguay Round of multilateral trade negotiations, he said that the interests of the developing countries must be taken into consideration in all matters, both by devoting special attention to their right to acquire advanced technology and develop their creative and technical capabilities and by guaranteeing the stability of international commodity markets. However, the developing countries also required financial inputs on concessionary terms together with more investment from the industrialized countries, at least to make up for the outflow of resources, from South to North, under way since the beginning of the 1980s.

74. The success of a development strategy for the 1990s would also depend on the adoption of a new approach to the external debt problem, an issue that had not so far been comprehensively addressed. As Mr. Bettino Craxi had said, the official debt burden of the low- and middle-income States was an obstacle to their development efforts.

75. The structural adjustment programmes imposed by the international financial institutions must be reconsidered and reappraised, taking account of the need for political stability, long-term growth and development and the interests of the most disadvantaged social groups.

76. In that respect, the situation in Africa was especially serious and called for urgent action. As the Secretary-General (16th meeting) and the Executive Secretary of ECA (20th meeting) had pointed out, although the United Nations Programme of Action for African Economic Recovery and Development 1986-1990 (General Assembly resolution S-13/2) was coming to an end, Africa had only just made a start in the right direction. The international community must intensify its support for the continent, follow up the Programme of Action, support technical co-operation between the African States and reaffirm its commitments in respect of those States on the occasion of the Second United Nations Conference on the Least Developed Countries, to be held in Paris in September 1990.

77. Another issue deserving special attention was that of regional co-operation, a prerequisite for the collective self-reliance of the developing countries. Egypt, which was very active at every possible level in that field, was a member of the Arab Co-operation Council established in February 1989 to serve as the cornerstone of Arab regional co-operation and pave the way to Arab economic unity.

78. With regard to co-operation between the industrialized countries, the international community demanded assurances that future regional arrangements, such as the Single European Market, would not result in stronger protectionism against the exports of the developing countries or adversely affect their economic interests.

79. Turning to current developments in Eastern Europe, he stressed, that although the States of that region had a perfect right to be integrated into the world market, their integration must serve to expand their trade and economic co-operation with the developing countries. Moreover, any assistance or preferential treatment accorded to those States by the industrialized countries must be without prejudice to the latter's present and future treatment of the developing countries.

80. Environmental issues were obviously of crucial importance, and Egypt had accordingly acceded to many of the conventions drawn up in recent years to protect the environment. However, the question of the environment could not be dissociated from that of development. Environmental protection must not conflict with the objectives of national development. The international community, and the industrialized countries in particular, should provide the financial resources, technology and skills needed to assist the developing countries in meeting the challenge posed by the deterioration of the environment, not only in their own interests but in the interests of all mankind and life on Earth. In that connection, Egypt looked forward with great expectations to the United Nations Conference on Environment and Development in 1992.

81. He hoped that all the points he had mentioned, as well as other priorities such as the alleviation of poverty and the development of human resources, would be taken into account in the international development strategy for the fourth United Nations development decade. The new decade could be one of growth and development if all parties demonstrated the necessary political will and commitment.

82. Mr. VRATUSA (International Center for Public Enterprises in Developing Countries) said that in 1989 and 1990 the Center had completed a three-year co-operative programme of research, training and consultancy on strengthening the performance of food and agriculture marketing public enterprises in sub-Saharan countries. Research, training and consultancy activities aimed at promoting human resources development, and efficiency of performance generally, had continued and a 12-month course of postgraduate studies for a Master of Business Administration degree had been started. The Center's Assembly of 39 member countries would meet in October 1990, when the programme of work for the next four-year period would be submitted. The new programme would formulate new approaches corresponding to the needs of developing countries in the new decade.

83. The programme on food marketing enterprises was part of the regional programme carried out by the UNDP

Regional Bureau for Africa during its fourth programme cycle (1987-1991). Its main purpose was to contribute to the implementation of food and agricultural plans in Ethiopia, Madagascar, Niger and Uganda. The programme had begun with a comprehensive analysis of marketing boards in the four countries with a view to obtaining a clearer insight into their programmes and institutional structure in the light of their role in promoting production, procurement, distribution and consumption, in domestic agricultural marketing as well as international trade in food and agricultural commodities. The findings of the programme were to be reviewed at an international high-level conference in July 1990, in Ljubljana, Yugoslavia, by competent government officials and senior marketing board managers from the participating countries and other interested countries of the region, with the co-operation of experts from international organizations concerned with agriculture. It was hoped that in the next phase more African countries would join the programme.

84. The programme on human resources development was another priority activity. A number of international meetings had been organized on a wide spectrum of topics related to management in public enterprises. The key topics dealt with in the past few years had included State-public enterprise relations; public enterprise evaluation systems; financing of public enterprises (including pricing policy); planning in public enterprises; women as a factor of development in developing countries; motivation and incentives; participative management; entrepreneurship in public enterprises; and restructuring of public enterprises, including privatization. The results of those meetings and of the research carried out had been published in individual publications or in the Center's quarterly review, *Public Enterprise*. Its library had built up a bibliographic data base on management of public enterprises in developing countries which provided input for its research, training and consultancy activities, as well as serving institutions and individuals in both developing and developed countries.

85. At its 1988 session, the Center's Assembly had decided to launch a Master of Business Administration degree programme for public enterprise managers and policy-makers. The programme consisted of a 12-month residential course, organized in partnership with the Economics Department of Ljubljana University and in co-operation with a number of academic institutions from developed and developing countries. Its purpose was to provide mid-career managers and administrators from developing countries with practical and analytical skills, based on the principles of collective self-reliance. It aimed to develop a critical understanding of the organizational processes involved in managing a public enterprise; problem-solving and decision-making skills; and a better understanding of the role of public enterprises in the wider business, social, political and economic fields. The course could take 30 students and candidates were required to possess a Bachelor's degree and a minimum of three years' work experience. The first batch of students would receive their degrees in September 1990.

86. The preparations for the Center's new programme cycle had taken place at a time of profound political and economic changes in the world at large and specific constraints in the majority of developing countries. The cycle's two main targets were, first, the promotion of performance efficiency through internal management action and the generation of public enterprise autonomy, and secondly, assuring equal conditions for all economic undertakings regardless of ownership system. The Center was thus ready to continue studying and promoting methods of generating efficient enterprise management based on genuine entrepreneurship, the participation of labour in decision-making, the promotion of skill and knowledge, and the stimulation of individual and collective incentives at all levels.

87. The Center would continue to study socio-economic and political reforms in countries with different social systems and at various levels of economic and cultural development, with a view to identifying ways and means which might be of use to Governments and managements in developing countries in their efforts to revitalize public sector undertakings or to restructure them, including privatization. Within that framework, the topic of human resources and modern management, including the Master of Business Administration courses, would continue to be among the highest priorities.

88. The Center would be participating in two UNDP-sponsored medium-term programmes and in some Netherlands Government-supported projects in co-operation with ILO and other United Nations agencies. The first programme embraced studies of market-oriented economic reforms including decentralization and privatization of public enterprises. The second was a series of two-month courses in management development for top enterprise managers and senior policy-level administrators in Mongolia. The third concerned management training courses on the transition from a State-managed to a mixed economy. The Master of Business Administration courses would continue regularly in parallel with those activities.

89. The existence of similar institutions dealing with problems of public enterprise management and economic reform would allow the Center to concentrate in future on selected issues of vital interest to member countries. He was confident that it would continue to enjoy the Council's support.

90. Ms. FAUCHÈRE-PITTET (World Confederation of Labour) said that the development policies applied so far, whether at the national, regional or international level, had not worked. They had not solved the problems of underdevelopment and poverty and unemployment had continued to spread. The successive United Nations development strategies had had no real effects on development. The original aim of steady improvement in the standard of living, based on full participation of the people in the development process and the equitable distribution of wealth, was far from having been achieved. The number of countries below the poverty line had in-

creased and the number of least developed countries had risen to more than 40.

91. In the market-economy industrialized countries, inflation seemed to be slackening and large companies were making sizeable profits. On the other hand, working men and women did not always enjoy all their rights and a policy of reducing social welfare benefits was creeping in, unemployment remained high, there was a housing shortage and xenophobia was on the rise in Europe, directed particularly against immigrant workers from the third world.

92. The political, economic and social organization of the so-called socialist countries had revealed itself to be ineffective, not because the philosophy was wrong but because of a system of centralization of power which excluded freedom and initiative. The system had collapsed and most current leaders had become unconditional supporters of the market economy. However, serious anxieties were beginning to emerge: fear of unemployment, the disappearance of hard-won social rights, and destabilization of the new régimes unless steps were taken in time to accelerate economic and social progress and avoid the harmful consequences of unrestrained neo-liberalism.

93. The changes that had taken place in Eastern Europe and were emerging in Africa—apart from a few hard-line countries—had occurred under popular pressure. The suffering and anger of the people had forced those in power to turn to political democracy and to revise policies which had previously benefited only the minority. It should be stressed, nevertheless, that liberal economy had led to a number of crises. It had proved incapable of reducing inequality or eliminating poverty or of lessening the gap between the rich and the poor countries and it should not therefore be regarded as the only way of maintaining the "present international order". The current unreflecting neo-liberal monetarist approach meant that speculation and corruption had become increasingly rife in the international system. The rich were becoming richer and the poor poorer. Moreover, a country which lost its economic sovereignty also lost its political autonomy, since it was increasingly at the mercy of foreign centres of power.

94. External debt was the most dramatic example of that international disarray and must be attacked immediately at the highest international political level. The strategies currently being put forward as a solution not only ruled out all economic and social progress but also mortgaged political development. If the debt question continued to be dealt with in the same way, in a few years it would be impossible to guarantee the continuation of democracy, at least in Latin America, given the tremendous price paid by the workers in their struggle against dictatorship. Economic and social chaos and the collapse of freedom in one region endangered freedom and progress in other parts of the world. It was clearer than ever that freedom, like progress, was indivisible.

95. In the view of the World Confederation of Labour, the indebtedness of the third world was less a threat to banks and international financial institutions, or to the world economic system, than to the political and social systems of the debtor countries. The impoverishment of the population threatened democracy and compromised future development or even survival. She wondered what would have happened in Europe after the Second World War if, instead of the Marshall Plan, the policy imposed on most third world countries had been applied.

96. Foreign indebtedness involved a social debt to the population because of the unfair purposes for which the debt had been contracted: for military expenditure and fruitless projects and to compensate for the flight of capital. Western Governments and banks were also responsible for that situation. The people were currently paying the price through unacceptable sacrifices affecting education, health, housing and so on. That social debt gave the population a moral and political right to debt forgiveness or at least a sizeable reduction in debt. Such action should be accompanied by an open world economy in which the developed countries would work for lasting growth and would renounce protectionism and stabilize commodity prices at a fairer and more equitable level. Also, the ILO Conventions should be applied in all countries so that social development would accompany economic development. Programmes should be worked out with the financial institutions, based on restructuring, economic growth and protection for low-income groups, in prior consultation with the trade union movement and other non-governmental organizations in order to verify and monitor the effectiveness of aid. There should also be a sustained movement of international solidarity, and thus an increase in ODA.

97. International co-operation for development was more than ever necessary, above all on behalf of the countries and regions experiencing the greatest difficulty in improving their economic situation. It could not be held back due to political considerations relating to other parts of the world. However, the development policies applied so far had been mistaken in trying to transfer developed country models of economic growth without taking into account individual circumstances and social needs. The situation had been made worse by military expenditure and the deterioration of the international context. As an alternative to those failed policies an attempt was being made to apply neo-liberal monetarist policies which would intensify still further the economic crisis and social exploitation.

98. Whatever the policy or strategy adopted, there could be no development without democracy and, more especially, without the participation of the workers, men and women, urban and rural, and their organizations in the conception, discussion, choice, execution and monitoring of any development plan. The failures up to then were due to the failure to associate the workers in political, economic and social decision-making. Countries which succeeded in doing so would have a chance of succeeding in the struggle for development, but it could only be achieved where there were fundamental freedoms, including freedom for trade unions and the full exercise of workers' rights.

Statement by the President of the Economic and Social Council

99. The PRESIDENT said that the general discussion was concluded. In the course of it, the Council had heard 84 statements. Had the 15-minute limit been observed, it would have been able to complete its work in seven meetings; instead, it had been obliged to hold nine meetings.

100. He had been impressed by the quality of the discussion. The tone had been constructive and without acrimony or needless rhetoric. Delegations had spoken in a spirit of understanding of each other's concerns and had sought to propose solutions that would meet the needs of all countries, North and South, without sacrificing the interests of any group.

101. The discussion had been the first to be held on the item since the events of the past year in Eastern Europe, events that had been welcomed by all delegations. It had been intended to focus on resources for development and external indebtedness of the developing countries, and all speakers had in fact done so. Nearly all the developing-country delegations, while welcoming developments in Eastern and Central Europe, had expressed some apprehension that they might result in the diversion of development assistance from them. The developed-country delegations had sought to reassure them that that would not take place, and had assured their developing-country colleagues that, while they would extend all possible assistance to Eastern and Central Europe, they would do their best to see that there was no diminution of resource flows to developing countries. The developed-country delegations had also referred to market forces, the need for popular participation, democracy and so on, and had seemed to recommend those steps to the developing-countries as part of the solution. The developing country delegations had not objected to those recommendations. Many of them had spoken of the need for popular participation in development and had reported that their Governments were already resorting to market forces and giving priority to mobilizing their own domestic resources. Many of them had said that development was basically the developing countries' own responsibility while at the same time stressing the need for the continuation and augmentation of both bilateral and multilateral assistance.

102. Several developing-country delegations had said that their Governments had tried to implement structural adjustment programmes. Few, however, had reported positive results and many had said that the social cost had been very heavy. A number of developing countries had also referred to the "peace dividend" that might be hoped for from the new international climate and the ongoing process of disarmament.

103. Of the two issues, external debt had received the most attention, being referred to by every delegation. The developing countries, of course, had expressed particular concern that debt servicing, let alone the repayment of principal, involved major sacrifices and was resulting in a reverse flow of resources. A number of delegations had referred to the Brady Plan and the decisions adopted at the Toronto Economic Summit and welcomed the start on implementing them. Some delegations had also welcomed the recent proposals by President Bush of the United States of America. Nearly all, however, had emphasized that much more was needed in order to solve the problem.

104. Several delegations had said that, in tackling debt problems, all types of debt, commercial and official, bilateral and multilateral, must be dealt with. The report of Mr. Bettino Craxi had been received rather late in the session and few delegations had been able to comment on it. Some had, however, expressed the hope that when the report went before the General Assembly the recommendations contained therein would be implemented expeditiously, in view of the fact that the debt problem was at its worst in Africa and that the reverse flow of resources was causing an especially acute problem there.

105. A large majority of delegations had referred to the Uruguay Round of multilateral trade negotiations, expressing concern at the lack of progress, but all had expressed the hope that it would result in a balanced outcome that would meet the interests and concerns of all countries, especially the developing countries.

106. The environment was another subject to which all delegations had referred. The outcomes of the Bergen and London conferences had been welcomed and delegations had looked forward to the preparations for the United Nations Conference on Environment and Development in 1992.

107. Another major theme had been the Declaration adopted by the General Assembly at its eighteenth special session (resolution S-18/3). All speakers had referred to it and especially welcomed the fact that it had been adopted by consensus. All had expressed the hope that it would constitute a new agenda for the international community in respect of international economic co-operation and that its recommendations would be observed and implemented, especially in respect of the developing countries. The delegations of the developed countries had reaffirmed their commitment to the Declaration.

108. A new factor in the general discussion had been the emphasis on human resources. Many speakers had stressed their importance, as well as that of human rights, popular participation and democratic systems. Several delegations had welcomed and praised the UNDP *Human Development Report 1990*. He himself had been impressed by the African Charter for Popular Participation in Development and Transformation (Arusha, 1990).

109. Several delegations had spoken of the revitalization of the Council. A number of interesting statements had been made on it, as well as specific proposals. The Council was meeting for the first time since the adoption of its resolution 1989/114. He noted that the 15-minute time limit had been supposed to be a first element in the proposed reform. Nevertheless, he believed that modest

progress had been made. The Council was concentrating on certain issues and the fact that it would shortly be taking up the question of East-West relations and their effect on international economic development indicated that it was alive to the changing world situation. The fact that the tenor of the discussion had been so different showed that the Council was not completely lacking vitality. One specific suggestion, made by the Secretary-General, was that the Council should meet at the ministerial level at its summer session in order to raise the level of decision-making (16th meeting, para. 37). He hoped that delegations would take note of that suggestion and act on it. He looked forward to a constructive outcome when the Council took up the revitalization item.

110. In conclusion, he paid a tribute to the usefulness and timeliness of the *World Economic Survey, 1990* (E/1990/55), to which so many delegations had referred.

The meeting rose at 6.30 p.m.

26th meeting

Wednesday, 11 July 1990, at 10.15 a.m.

President: Mr. Chinmaya Rajaninath GHAREKHAN (India)

E/1990/SR.26

AGENDA ITEM 2

General discussion of international economic and social policy, including regional and sectoral developments (*continued*)

1. Mr. CAMDESSUS (Managing Director, International Monetary Fund) recalled that he had outlined to the General Assembly, at its eighteenth special session, some of the ways in which IMF could respond to a key question: how to create conditions for growth in the developing countries despite the difficulties, taking advantage of the aspects of a "new deal" which could be identified in the opening months of the century's last decade. He proposed to analyse in greater detail the Fund's objectives in that regard and what it would take to achieve them.

2. The Fund's prime objective, to which its programmes and their conditionality were aimed, was growth, by which was meant high-quality growth, not pseudo-growth such as "flash in the pan" growth fuelled by inflation and financed through excessive borrowing, growth in which the benefits were restricted to a privileged few or forced quantitative expansion through disorderly exploitation of natural resources and the ravaging of the environment. High-quality growth was first and foremost sustainable growth with domestic and external financial stability; it was dynamic, creating the conditions for future expansion through investment, particularly in human capital; it was concerned with the most vulnerable; and it did not wreak havoc on the environment. In such a demanding and ambitious approach to growth, the economic, social and political means were perhaps as important as the ends. In particular, growth which did not rely enough on broadly based participation, but essentially on the initiative of the State, was deprived of its essential driving force.

3. One of the positive aspects of the "new deal" for the 1990s was a much broader consensus than hitherto with regard to the objective of high-quality growth. In order to achieve it, it was necessary to revive simultaneously the two key components of international co-operation, namely more credibility both in national policies and in international support.

4. National policies would be more credible to the extent that they displayed bold reformism. There must be an end to foot-dragging policies and to palliatives which were aimed at preserving vested interests or flaws in the established order, but which were incapable of winning public support and thus the support of creditors or donors.

5. Consequently, IMF-supported programmes focused primarily on macro-economic discipline—in other words, the reduction of fiscal deficits and monetary measures aimed at achieving price stability and realistic exchange rates. The 1970s had been a time of dangerous misconceptions which held that monetary stability and growth were at odds with one another and that external financing—borrowing—was the best of all roads to growth. The countries which had been making the greatest strides in recent years were those that had borrowed prudently and resisted inflation steadfastly. Macro-economic discipline must go hand in hand with structural reforms aimed at eliminating distortions in tax systems, prices, interest and exchange rates, providing incentives for competition and private initiative, improving public enterprise efficiency, opening the country to foreign trade and investment, enhancing the quality of investment, not simply its volume, and cutting to a minimum administrative intervention and, with it, corruption.

6. Concern was often expressed about the impact of such policies on the poorest and most vulnerable. He nevertheless stressed that such policies served the poor: in the absence of discipline and the reforms it engendered, the poor were not only the first and worst hit, but were the least able to protect themselves. In contrast, the reforms in question improved their lot through increased prices of produce, more efficient supply arrangements and fiscal reforms which, *inter alia*, reduced excessive military outlays and led to more productive investment. The fact remained that the transition from an economy ridden with imbalances and rigidities to one of high-quality growth was difficult and at times took longer than the Fund had tended to believe. Certain necessary transitional policies might hurt some more vulnerable groups in the short term. The Fund therefore strove to mitigate such ill effects and introduce "safety nets"; it was endeavouring to improve the design of its programmes to guarantee a better blend of adjustment, growth and equity and to ensure that the plight of the poor was properly recognized.

7. Likewise, the Fund sought to promote awareness of environmental concerns in the context of the programmes it supported. It must be recognized that social and ecological safeguards could not be suddenly added to adjustment programmes without greater national solidarity and the discarding of certain unproductive spending such as military expenditure, on which, for example, Africa's current outgoings of over 5 per cent of GDP seemed needless. In practice, of course, it was difficult to reorient government spending, since to do so required bold, political choices on the part of Governments.

8. Such options deserved to be given effect, difficult though the task was, because, in order to succeed, adjustment programmes also needed international support. First and foremost, the industrialized countries must recognize that, with the world's markets becoming ever more integrated, their economic decisions had a growing impact on the world economy. Those countries must therefore adopt policies which had positive fallout. In particular, they must be firmer in tackling their fiscal deficits, which pre-empted so much of the world's savings, and strive to increase domestic savings at a time when demand for investment was rising throughout the world. It was with that in mind that IMF would continue to improve its surveillance of the industrial economies and intensify its dialogue with the group of seven major industrial countries within the framework of its multilateral surveillance. The industrialized countries should also match with deeds their support for the Uruguay Round of multilateral trade negotiations.

9. The commercial banks, for their part, should make every effort to ensure that the debt strategy did achieve its objective of restoring viable growth in the heavily indebted countries. The much cited example of Mexico demonstrated that, where the strategy had been applied in earnest, the benefits were plain.

10. Official creditors, too, must spare no effort to alleviate the external debt of low-income and middle-income countries. Progress had been made in that regard in recent years, particularly within the Paris Club. Various formulas could be envisaged, but they should all aim at ensuring the viability of the programmes, which would, moreover, be fully supported by the international community. In order to help the poorest countries, bilateral assistance, and ODA in particular, should continue to increase, since it was clear that the multilateral institutions could not make good a shortfall in contributions from other partners, public or private.

11. The multilateral agencies themselves must be ready to respond to justified requests from their members. For its part, IMF would put its full weight behind recovery programmes aimed at high-quality growth. During the past financial year, the Fund had committed more than $14 billion, the highest amount since the debt crisis had begun, and its catalytic role had produced several times that amount from the international community. Almost 60 countries were currently benefiting from IMF financing or were negotiating for it.

12. Although recent attention had focused chiefly on the Fund's initiatives on behalf of countries of the East, more than half the programmes supported were in low-income countries, to which assistance was provided on highly concessional terms under the structural adjustment facility and the enhanced structural adjustment facility. Under the Compensatory and Contingency Financing Facility, the Fund was helping countries engaged in economic reforms to protect themselves from external shocks. The Fund was also providing support for operations to reduce debt and debt servicing. It was expanding its technical assistance programmes, having established extremely active co-operation in that regard with UNDP.

13. The Fund was ready to do more. The 50 per cent quota increase recently approved by the Board of Governors would, if ratified, help the Fund to maintain that effort up to 1993. But the Fund's mission was to help deal with temporary balance-of-payments difficulties and, in some way, to do the necessary groundwork so that development, which it was up to others to finance, could take root. That explained the importance the Fund attached to ever closer co-operation with the World Bank Group, with the specialized agencies and with certain non-governmental organizations.

AGENDA ITEM 7

Development and international economic co-operation:

(*h*) Implementation of the Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries

14. The PRESIDENT said that discussion of agenda item 7 (*h*) would cover the question of strengthening multilateral co-operation in international economic mat-

ters which the Council, by its resolution 1989/111, had decided to study at its second regular session of 1990.

15. Mr. BLANCA (Director-General for Development and International Economic Co-operation), referring to the Declaration on International Economic Co-operation adopted by the General Assembly at its eighteenth special session (resolution S-18/3), said that the special session had been devoted chiefly to the revitalization of growth and development in the developing countries and the Declaration stressed that development was a major challenge of the 1990s. In order to bring about that essential renewal, the world economic environment must be improved: in particular, interest rates must come down and the macro-economic co-ordination process must be strengthened and expanded in order to take account of the developing countries' aspirations. The pattern of world financial flows must be radically changed in order to re-estabish a large net transfer from developed to developing countries. The system of world trade and in particular—as called for in the Declaration—international organizations active in multilateral trade must also be strengthened. In 1991, the Council therefore had to consider the follow-up to the Uruguay Round of multilateral trade negotiations. No international initiative could take the place of well thought-out domestic policies; moreover, Governments must strive to promote the private sector and private enterprise and to make the public sector more efficient. They were also invited, in the Declaration, to examine new aspects of development: human resources development and protection of the environment.

16. Since the General Assembly had recognized that the achievement of those various objectives would also require the strengthening of the system of multilateral co-operation, in particular the United Nations itself, he referred to the way in which that system of co-operation functioned and why it needed adjustment. The General Assembly had held its special session at a time of far-reaching changes in the world: interdependence was becoming ever closer, especially in matters of finance and trade, which increasingly involved transnational corporations. Political developments were at last opening up the prospect of a large reduction in military spending and the ideological confrontation which had dominated international discussion on development was at an end. As a result, the objectives of United Nations conferences could be more easily achieved, particularly with regard to the adoption of a new international development strategy for the fourth United Nations development decade.

17. Euphoria must be guarded against, however, because millions of persons were still poverty-stricken and many developing countries faced stagnation or regression. For dozens of countries, including those of Eastern Europe, the transition to pluralism and a market economy was far from complete. Many developing countries which had embarked on structural adjustment were experiencing problems that might make them ungovernable on account of social tensions. The system of multilateral economic co-operation, in its current form, was liable to be powerless in such situations.

18. That system, based on the Bretton Woods agreements and GATT, as well as on the governing role of one major economic Power, had responded, at the time it had been set up, to objectives that were very different from the complex ones of the current world economy. The first international institutions thus created—the World Bank, IMF and GATT—had admittedly developed, but the conditions in which they operated were nevertheless entirely new: the world was now multipolar and the developing countries as a whole accounted for a share in world output equivalent to that of the United States of America. Multipolarity extended to entire blocs of countries and the bloc-forming process was incomplete; many analysts predicted an economically tripolar world. Although interdependence was a current reality, the major countries continued to have a greater say than the rest and, on the world economic scale, the current decision-making system, in which decisions were ever more frequently monopolized by a small number of countries, was perhaps not fully satisfactory. Moreover, the large countries which constituted the core of the system were perhaps aiming at stability rather than growth. It was certainly welcome that the major market-economy countries had managed to get a grip on inflation, but the price of victory—production shortfall and unemployment growth—was too high. The system seemed to work in such a way that much of the real overall adjustment cost fell on the weakest; some OECD studies showed how the collapse in commodity prices had contributed to the success of the anti-inflation campaign.

19. It was therefore time to change course and henceforth promote not adjustment but stronger, non-inflationary growth based on an expanded system of multilateral co-ordination and more satisfactory monitoring. Stronger growth must in any case be attained, if only to release the resources needed to restore and preserve the environment. Without that growth, the necessary resources would no longer be available to support the restoration of the Eastern European countries—the burden of which, according to the latest decisions by the group of seven major industrialized countries, should be borne by the multilateral institutions—and the development efforts of the third world countries. The Council would have to determine the size of the resources required.

20. The current system also reflected over-confidence in market forces as a self-regulating mechanism. The free play of market forces was everywhere inhibited by market-sharing agreements, voluntary ceilings on exports, agricultural subsidies and even interest-rate adjustment. Some countries even went as far as manipulating the exchange rate of their currency in accordance with their interests. The question was how to reconcile efficiency and justice, productivity and humanity.

21. Mr. Blanca had no magic formula to propose in order to transform the system, but he did see a need for analysis and discussion, as soon as possible, under the auspices of the Council, which, in 1991, should consider in greater detail the issue of multilateral co-operation as

a separate item on its agenda. A working document on that topic would thus be required. All bodies of the United Nations system, including CDP and ACC, should make an active contribution to what should be a joint enterprise. Only in that way could the Council resume the role it had once played.

22. Mr. NAVAJAS MOGRO (Observer for Bolivia), speaking on behalf of the Group of 77, said that, in view of the Declaration's importance, it would have been desirable for United Nations organizations, bodies and programmes, particularly those directly involved in international co-operation and development, to show how they interpreted the Declaration in the context of their respective mandates and how they proposed to implement it. However, very few of their heads had followed up the proposal that they should take part in considering the modalities for the implementation of a mandate assigned by such an exalted body as the General Assembly meeting in special session.

23. As many delegations had already said, the worsening trend in many developing countries' economies must be reversed and reform measures must be undertaken at once for that purpose. The far-reaching political changes which had taken place at the world level gave cause to think that the economic situation might improve likewise. The developing countries, for their part, were resolved to change the current state of affairs, but lacked elbow-room to adapt their domestic policies to the best advantage. In that connection, the Declaration envisaged two basic conditions for the achievement of their objectives, namely, an improved international economic environment and co-operation measures focused on the revitalization of growth and development in those countries. A number of important meetings and events, such as the forty-fifth session of the General Assembly, the Second United Nations Conference on the Least Developed Countries, to be held in Paris in September 1990, and the preparation of the international development strategy for the fourth United Nations development decade, would enable progress in that sphere to be assessed. The current process of transition in the countries of Eastern Europe and the Soviet Union and the way in which their economies and institutions were integrated into the world economy would likewise provide material for analysis.

24. In that connection, it was to be hoped that the considerable efforts being made in favour of Eastern Europe and the Soviet Union would bear fruit, but not at the expense of the developing countries. The latter, on the contrary, must receive equal attention if they were expected to achieve the Declaration's basic goals.

25. Indeed, the Declaration, on account of its global nature, must influence the entire approach by countries to international economic and social affairs. The consideration of its implementation must likewise extend to the work being carried out by the United Nations system, including the multilateral financial institutions, with a view to revitalizing economic growth and development in the developing countries. Such an evaluation would also embrace new initiatives relating to the debt problem. Activities outside the United Nations' direct competence, but having a bearing on world economic activity, should also be taken into account.

26. Mr. TRAXLER (Italy), speaking on behalf of the European Community and its member States, said that the Twelve welcomed the outcome of the eighteenth special session of the General Assembly, in particular the general thrust and contents of the Declaration adopted on that occasion, and regarded that special session as a starting-point for a renewed broad dialogue on the major challenges which the world would face during the 1990s. The Declaration contained a number of important principles for international economic co-operation, in particular for the revitalization of economic growth and development in the developing countries. The General Assembly had recognized, *inter alia*, the need for flexibility in the approach to development issues. The current period was one of rapid and radical changes, whose pace varied from country to country. Consequently, there was no simple or global blueprint to bring about economic growth and development in the developing countries.

27. The world economy was undergoing great transformations, such as the political, social and economic structural changes in the countries of Central and Eastern Europe and major processes of regional economic integration, particularly as far as the European Community was concerned, but no process of reform or economic adjustment could achieve its aims without concerted action at the global level. In that connection, the Declaration should represent a point of reference for the undertakings and commitments of all countries for international economic co-operation.

28. The European Community and its member States believed that the international development strategy should keep the innovative and realistic spirit which had prevailed at the special session, since the strategy would, in a way, articulate for a decade the actions and policies set forth in the Declaration; and the analysis contained in the latter should be further elaborated in the strategy. The Twelve stood ready to take part in the negotiations on that subject in line with a constructive approach. The document they were preparing to that effect was meant to be an input for the task of drawing up the strategy by showing precisely how the Twelve perceived it.

29. The Second United Nations Conference on the Least Developed Countries would be an opportunity for many such countries to strengthen their commitment to reforming their economies. The industrialized countries, for their part, must take appropriate action in favour of those countries, many of which would be unable to achieve sustained development without substantial external support. The Twelve reiterated their determination to contribute to a succesful, balanced and comprehensive outcome of the Uruguay Round of multilateral trade negotiations, which should also take account of the least developed countries' special needs. They also looked forward with interest to the eighth session of the United Nations Conference on Trade and Development. They

were well aware that many of the least developed countries were particularly vulnerable to long-term adverse trends in real primary commodity prices. The European Community, for its part, had made a substantial contribution to the least developed countries in that area through the Lomé Conventions and the compensatory mechanisms for which they provided. It hoped that other industrialized countries would take comparable initiatives. Appropriate national policies as well as international co-operation were needed in order to diversify the economic base of the countries concerned and improve their prospects for economic growth.

30. The United Nations Conference on Environment and Development, in 1992, and the international meeting on population to be held in 1994 would together with other meetings planned within the United Nations system, deal with the central issues linked to growth and development and allow major guidelines for international economic co-operation to be defined in various fields. The Declaration was an excellent reference point for action-oriented plans and decisions to be prepared for that purpose. The European Community hoped that the General Assembly, also on the basis of the Council's work and advice, would monitor the Declaration's implementation and ensure that its spirit was fully respected.

31. Mr. DJOUDI (Algeria) said that he had listened with interest to the statement by the Managing Director of IMF under item 2 of the agenda, even though the medicine he advocated was very bitter for many developing countries. He had also appreciated the statement by the Director-General for Development and International Economic Co-operation, which had provided a kind of corrective to the IMF position by stressing justice rather than efficiency and had raised a number of basic issues relating to the discussion of the nature and scope of international economic co-operation.

32. The adoption of the Declaration contained in General Assembly resolution S-18/3 was a landmark in the life of the United Nations because of its very purpose of revitalizing economic growth and development in the developing countries, the spirit which had governed its drafting and its bearing on future international events. It set out a number of practical conditions to promote the development of the countries of the South: a speedy and lasting solution to the developing countries' external debt and to the negative transfer of financial resources from those countries; the need for adequate financial resources from outside on favourable terms; an improved international economic climate, taking into account the developing countries' interests; the establishment of an open, equitable trading system and support for efforts to diversify and modernize developing countries' economies; the need to approach development in a long-term perspective; support for the developing countries' efforts to achieve endogenous capacities in science and technology; support for regional economic integration processes; and the strengthening of the role of United Nations bodies in the economic revitalization of the developing countries.

33. However, no political undertaking of any sort could succeed without specific measures and methodical follow-up. The forthcoming international meetings and negotiations relating to development must therefore lead to the adoption of operational measures which would give effect to the Declaration's objectives. It was up to the Council to help give effect to its provisions, particularly those relating to follow-up mechanisms. Such a contribution could provide the United Nations with the framework and the means to attain the economic objectives for which it had been established, thus helping to enhance international peace and security.

34. Mr. KOIKE (Japan) said it was particularly significant that the Declaration had been adopted by consensus with the participation of all major countries. It also marked a turning-point in that it confirmed the high priority the international community must place on the promotion of growth and development in the developing countries. In that connection, his delegation was pleased that the Declaration had reaffirmed the need to strengthen international co-operation and had clearly emphasized the developing countries' role in the process, in particular the importance of effective national policies for the successful promotion of development. It was thus both well balanced and realistic and it was to be hoped that the new attitude would be reflected in the future work of the United Nations.

35. The Declaration identified the major issues for development in the 1990s. Although Japan did not fully subscribe to all its wording or the manner in which issues were dealt with—for example, more emphasis could have been placed on the problems stemming from population growth—the Declaration as a whole would enable individual nations and the international community to respond better to the challenges of the decade.

36. However welcome the new spirit of solidarity and co-operation might be in efforts to promote growth in the developing countries, there could be no complacency. It was important to take action. The developing countries, on the one hand, must intensify their self-help efforts. The donor countries and competent intergovernmental organizations, on the other, must step up their co-operation with those countries, duly taking into account the priorities identified in the Declaration. His own Government would continue, through ODA, to strengthen its bilateral and multilateral co-operation for development.

37. In his view, it was important for the Member States of the United Nations and the specialized agencies to secure effective follow-up of the Declaration within the framework of the organizations concerned. That did not mean schemes such as the establishment of monitoring mechanisms, but efforts to ensure that the new spirit of constructive dialogue prevailed in discussions elsewhere within the United Nations.

38. Mr. MOLLER (Observer for Denmark), speaking on behalf of the Nordic countries, said that the text of the Declaration was a compromise and, as such, had shortcomings. Nevertheless, its adoption gave grounds for op-

timism about the future, since it had shown that it was possible, in the United Nations, to establish a common programme in the economic and social fields.

39. One of the Declaration's main features was its recognition of the importance of the rapid changes taking place in the international economic environment. In the light of those changes, it prescribed broad principles to govern international economic co-operation and the formulation of domestic policies in the years to come so as to ensure the sustained growth of the world economy and, in particular, the revitalization of economic growth and development in the developing countries. In the context of a rapidly changing world those principles had to have the necessary flexibility in their implementation. In the Nordic countries' view, the main message of the eighteenth special session of the General Assembly was that the opportunities for strengthening international co-operation, and the need to do so, were greater than ever.

40. With regard to the Declaration's final paragraph, which dealt with review activities, he welcomed the opportunity offered to members of the Council to exchange views concerning the Declaration's implementation. In that connection, he recalled that, during the preparations for the special session, the Nordic countries had on several occasions stated their view that the outcome of the session should provide a conceptual framework for future co-operation activities by the United Nations in the economic and social fields. They considered that the Declaration was fully in keeping with that objective and that it could serve as a guiding framework for drawing up the international development strategy for the fourth United Nations development decade.

41. The Nordic countries recognized that the Declaration did not fully meet all the aspirations of Member States, particularly the least developed countries. They hoped, however, that the shortcomings could be rectified at the Second United Nations Conference on the Least Developed Countries.

42. It would be primarily up to the General Assembly and the Council to follow up the progress made in giving effect to the Declaration and in seeing to it that the spirit and substance of that instrument were reflected in fruitful results at forthcoming international meetings. However, the implementation of particular measures would best be left to national bodies and the competent specialized agencies.

43. The ideas and principles laid down in the Declaration would evolve with time and some of its provisions might become less pertinent in the future. It was hoped, however, that the spirit in which the Declaration had been prepared and adopted would continue to be regarded as a new beginning in international economic co-operation.

44. Mr. WANG Baoliu (China) said that the Declaration made it clear that the greatest challenge of the 1990s was the economic growth and social development of the developing countries. The Declaration also emphasized the importance of improving the external economic environment and the responsibility of the international community, the developed countries in particular, for providing vigorous support for the developing countries' efforts. Despite some shortcomings, the Declaration was of decisive importance at a time when developing countries were faced with a slow-down or decline in their economic growth and the gap between North and South continued to widen. It represented a positive step towards strengthening international economic co-operation and dialogue.

45. The Declaration's effectiveness would depend on whether it could actually be implemented and it was particularly timely that the Council should be considering the question of its implementation. In the current situation, all countries, particularly the developed countries, should honour their commitments and conform to the guiding principles contained in the Declaration by avoiding any action likely to have a negative effect on the developing countries' economic development. United Nations bodies also had an important role to play in implementing the Declaration. His delegation believed that concrete measures should be formulated concerning the Declaration's implementation by the United Nations system and that periodic or *ad hoc* reports should be submitted to the Council and the General Assembly in that regard. It hoped that the Secretary-General and the Director-General for Development and International Economic Co-operation would continue to pay due attention to the Declaration's implementation and play a greater role in the process.

46. Mr. SHANNON (Canada) said that the Declaration was particularly noteworthy not only because of its content but also because it reflected a universal consensus on the challenges which lay ahead and on the measures to deal with them. The consensus had been possible only because of the dramatic changes witnessed during the past year in many parts of the world, particularly in Eastern Europe and in Latin America and because of a growing convergence of views on appropriate economic policies. The Declaration established a number of principles and rules which should govern the United Nations and its Member States throughout the 1990s and beyond. It should be stressed that all the States which had taken part in the drafting of the Declaration had acknowledged that each country was responsible for its own economic development, the international community being responsible for supporting the developing countries' efforts through the creation of a favourable international economic environment. They had also deemed the establishment of an open and credible multilateral trading system essential to growth and development and concluded that the efforts of the Eastern European countries towards integration in the international economy should receive the necessary support.

47. His delegation was convinced that, as a result of the Declaration's adoption, the discussion of economic questions in the United Nations would be more constructive in recognizing that flexibility, creativity, innovation and openness must be integral parts of economic systems and that it was essential for all countries to adapt their national policies continuously in response to the chang-

ing world economy. The United Nations could and should play an important role in promoting the exchange of views and experience and in adopting particular approaches for the benefit of all.

48. Mr. MARKS (United States of America) said that his country had taken part in the adoption by consensus of the Declaration as an expression of its desire for global harmony and its support for the aspirations of all countries, particularly the developing countries. The Declaration reflected a new approach to development. There had been a convergence of views on the need for sound macro-economic policies, enhanced competition and economic systems characterized by flexibility, creativity, innovation and openness. The boost thus given to economic reform revived hopes that national efforts to achieve sustained growth and development would be crowned with success.

49. The Declaration stressed the need for an open, equitable trading system, a balanced outcome to the Uruguay Round of multilateral trade negotiations, a broad and durable solution to the external debt problem faced by the developing countries and effective action to protect the environment. There was also recognition that economic integration was important for the expansion of trade and investment in the developing countries.

50. The initiative announced by President Bush on 27 June, aimed at helping the countries of Latin America and the Caribbean, addressed many of the concerns mentioned in the Declaration. The three pillars of that initiative were trade, investment and debt. In order to expand trade, President Bush had proposed the creation of a hemisphere-wide free trade zone. To that end, he had formulated a three-point plan to encourage the emerging trend towards the opening of markets in the Americas. First, the United States pledged close co-operation with the continent's nations. Secondly, it stood ready to enter into free trade agreements with Latin American and Caribbean countries, particularly with groups of countries that had associated for the purpose of trade liberalization. Thirdly, recognizing that some countries were not yet in a position to sign a full free trade agreement, it was prepared to negotiate a bilateral framework agreement with any interested country in the region in order to open markets and develop closer trade ties. It was noteworthy that, contrary to some other free trade agreements, President Bush's proposal called for a partnership with the developing countries, not a rich countries' club.

51. The second pillar of the proposal related to increased investment. Promotion of investment called for a radical change in the current conditions which discouraged foreign and domestic investment. It must be made easier to set up businesses and enable foreign investors to participate in Latin American markets. In order to encourage the reform process, the United States would work together with IDB to create a new lending programme for countries which took decisive steps to remove impediments to international investment. The World Bank could also contribute to that effort. In addition, it was planned to create a new investment fund for the Americas, that would be administered by IDB.

52. The third pillar of the United States proposal was aimed at alleviating the debt burden of a number of Latin American and Caribbean countries. In that context, the United States proposed that IDB should pool its resources and efforts with those of IMF and the World Bank to support the reduction of commercial bank debt in the countries concerned. As in the case of IMF and the World Bank, the IDB relief arrangements would be directly linked to economic reforms. President Bush had also proposed a new initiative to reduce the official debt of Latin American and Caribbean countries which adopted strong economic and investment reform programmes. That programme would have separate provisions for concessional and commercial types of loans. For the former, substantial debt reductions would be proposed for the most heavily indebted countries; for the latter, a portion of the outstanding United States commercial credit would be sold to facilitate debt-for-equity and debt-for-nature swaps. The United States would also call for the creation of environmental trusts, for whose constitution the interest owed would be paid in local currency and set aside to fund environmental projects in the debtor countries.

53. In addition to the measures specifically designed to deal with the situation in Latin American and Caribbean countries, the United States had taken a number of initiatives to forgive a considerable part of the debt, under ODA loans, of the sub-Saharan African countries undertaking economic reforms. It recognized that debt problems were not confined to those regions and it would continue to co-operate closely, in bilateral and multilateral forums, with countries which were trying to solve their economic problems through vigorous reforms.

54. In his delegation's view, President Bush's proposal could be the basis of a new framework for mutually beneficial co-operation which might be applicable on a global scale. In any event, the proposal and the other initiatives outlined were proof of the United States' firm resolve to honour the commitments undertaken at the eighteenth special session of the General Assembly to pursue dialogue and to give effect to the vision of the future presented in the Declaration.

55. Mr. MAKEYEV (Union of Soviet Socialist Republics) said that the eighteenth special session of the General Assembly had been noteworthy in a number of respects, including the fact that it had focused not on particular sectoral or regional issues but on the highly complex interrelationships among the current major economic problems, for the purpose of co-ordinating overall positions on how to deal with those issues for the benefit of all States. The session was likewise noteworthy in that, for the first time in the United Nations, international economic problems had been approached not independently of any other issues but in parallel with the restructuring of national economies with a view to their integration in the world economy.

56. His delegation noted that the participants in the eighteenth special session had managed to eschew the intransigent ideological posturing which had previously characterized economic discussions. As was clear from the text of the Declaration adopted at that session, there had been no question of trying to use a multilateral mechanism in order to interfere in the internal affairs of other States. The Declaration stressed that each State was responsible for its economic policy and must assume its share of responsibility for whatever external repercussions it might have. Of course, the role of each State in the establishment of a world economy which would operate in a more stable and predictable manner must be in direct proportion to its economic weight and its influence on the international economic system. Acknowledging that principle, the participants in the special session had expressed their full agreement with the resumption of East-West co-operation with a view to supporting the developing countries' efforts to accelerate their economic growth and development. The latter aspect warranted special emphasis in that it showed that the developing countries had no cause to fear the slightest reduction in the priority accorded to their problems in the current climate of détente.

57. His delegation believed that the outcome of the eighteenth special session enhanced the United Nations' role in the economic field. It enabled the Organization's economic activity to be better aligned with world economic realities and created the necessary conditions for the more effective use of multilateral mechanisms. For the purpose of implementing the principles set forth in the Declaration, particularly the principle of universal economic co-operation, the Member States and international organizations must focus their attention on specific aspects, such as economic transparency, the interdependence which characterized the process of adapting national economies to the changing world economy, the development of co-operation in macro-economic policies in the interests of all countries, access to modern technology without harm to the environment, the reduction of military spending in all countries for the purpose of speeding up the development of national economies and the world economy as a whole and the responsibility of each State for its economic policy and the latter's international impact.

58. In his delegation's view, the Secretary-General could prepare specific recommendations, in consultation with the members of ACC, to be addressed both to the Organization's Member States and to the United Nations system as a whole for the purpose of giving effect to the Declaration's provisions. Special attention should be paid in that regard to the drafting of recommendations which would allow for the gradual alignment of the degrees of economic transparency in all States. Although such a task would indeed require a great deal of time, it would go a long way towards making States' economic mechanisms comparable. One aspect of that activity might be to promote the drafting of universal standards and rules for overall application in various fields of international economic and social relations. Steps had already been taken in that direction by several United Nations bodies, which should be encouraged to intensify them.

59. As his delegation saw it, the role of the General Assembly and the Council should be to ensure that the activities of United Nations bodies were co-ordinated and that all international economic co-operation mechanisms were complementary. It was therefore appropriate that the Council's members should jointly consider ways to enhance the role of ACC and of the joint ACC-CPC meetings. He noted in that regard that, although those two bodies had come in for criticism, the hope had also been expressed that their effectiveness could be improved.

60. It went without saying that, in the context of all the activities referred to by his delegation, special attention should be paid to the problems of countries with the weakest economies and to the need for measures to make their adjustment to the world economic system less arduous.

61. The Declaration defined the spheres of priority action on which the international community should focus in order to revitalize development. The basic issues were the external debt problem, commodity market stabilization, action to combat poverty and hunger and the development of human resources. However, it was only by uniting the efforts of all United Nations bodies and other international institutions that the world community could make real progress in those fields. In co-operation with all the bodies concerned, the Secretary-General should therefore draw up, as soon as possible, recommendations on measures to be taken in priority fields of action so that the General Assembly could adopt the necessary decisions without delay.

62. Mr. DUTIA (Food and Agriculture Organization of the United Nations) said that, because of its importance in the economies of most developing countries, agriculture had a major role to play in efforts to achieve the goals set forth in the Declaration. A vibrant and growing food and agriculture sector and the development of rural areas were crucial for the eradication of poverty and hunger, the development of human resources and sustainable development. FAO was currently formulating a strategy for the food and agriculture sector that would be considered by the FAO Council in November 1990. The main focus of the strategy was to highlight policy actions at the national and international levels to enable the food and agriculture sector to play its rightful role in the process of economic growth and in achieving some of the objectives set forth in the Declaration.

63. FAO provided technical assistance to member countries in the field of policy analysis; the demand for such assistance had increased considerably in recent years to the point where FAO's governing bodies had encouraged it to strengthen its programmes in order to meet it. The increased demand for technical assistance was the result of the growing number of countries, including the countries of Eastern Europe, which were introducing structural adjustment programmes and, more

generally, of reforms aimed at more market-oriented agricultural policies.

64. Policy analysis focused as far as possible on the various aspects of access to food, human resources development and the role of women in food production. In addition, a number of parallel FAO activities promoted policies of more direct relevance to "human development", particularly in the areas of nutrition, food security and rural development. In the last-mentioned area, much of FAO's work took place within the framework of the Declaration of Principles and the Programme of Action adopted by the World Conference on Agrarian Reform and Rural Development in 1979.

65. FAO also provided technical assistance, in co-operation with regional and subregional organizations, in support of economic co-operation and technical co-operation among developing countries. The assistance took the form of technical support and advice on the analysis of policy issues of common concern for regional co-operation in the food and agriculture sector, the institutionalization of regional capacity in agricultural development planning and policy analysis and the review of the role, policy framework and lessons of experience in channelling private sector investment to the agricultural sector. Field activities included, *inter alia*, the regional assessment of comparative advantage in the production of selected produce, the analysis of agricultural policies and programmes in food, agriculture and forestry and support for teacher training in project formulation, monitoring and evaluation.

66. The Committee on Commodity Problems regularly discussed issues relating to agricultural trade policy. For more than 10 years, the Committee had been studying the issue of agricultural protectionism. Through its numerous subsidiary bodies, it monitored trade policies, protectionism and action taken to reduce barriers to trade in most of the major agricultural commodities. Recommendations by FAO's governing bodies regarding the multilateral trading system were fully in keeping with the views expressed in paragraph 32 of the Declaration.

67. FAO's technical support to the Uruguay Round of multilateral trade negotiations took a variety of forms, such as the provision of statistics and analytical documents and attendance at meetings of negotiating groups on agriculture, tropical products and natural resource based products. In addition, FAO continued to provide, on request, technical assistance to countries or groups of countries, particularly developing countries, to assist them in putting forward their views on matters under negotiation. FAO had also been participating actively in the GATT working group on sanitary and phytosanitary regulations in view of its mandate relating to the FAO/WHO Codex Alimentarius Commission and the International Plant Protection Convention. The FAO Conference held in 1989 had urged that FAO's support in that area should continue and, where appropriate, be intensified.

68. FAO's intergovernmental commodity groups gave strong support to the continuing key role for commodity exports, which was stressed in paragraph 33 of the Declaration. The work of those groups would help to increase market transparency and improve the functioning of commodity markets. It was very possible that the intergovernmental groups would become involved in sponsoring measures and projects relating to research and development, productivity improvement and the marketing of the commodities they covered.

69. With regard to the environment and the promotion of sustainable development, he recalled that FAO's Constitution provided that FAO's activities should include the conservation of natural resources and the adoption of improved methods of agricultural production. In November 1989, the FAO Conference had issued specific guidelines for the strengthening of programmes relating to the protection of the environment and the promotion of sustainable development. FAO was currently organizing, jointly with the Government of the Netherlands, a conference on agriculture and the environment, to be held in Amsterdam in April 1991. That meeting would help FAO to prepare its contribution to the United Nations Conference on Environment and Development to be held in 1992. Among FAO's main policy instruments and activities related to the environment and sustainable development were the World Soil Charter, the International Undertaking on Plant Genetic Resources and the Strategy for Fisheries Management and Development.

70. FAO was also involved in assessing the possible impact of climatic changes on agricultural production and environmental contamination of food. It helped countries to assess food contamination, develop sampling methods and standardize their legislation, including the establishment of permissible levels of contaminants in food. FAO was paying increasing attention to the involvement of environmental considerations in development planning.

71. Mr. VALLENILLA (Venezuela) said that the Declaration was a compromise between two different approaches to the world economic situation. It thus represented a first step on the road to genuine and sincere international co-operation which would make it possible to enter into a new era of peace and friendship. That era would be marked by positive developments in international relations, political détente and integration, but, above all, it would be an era of reform.

72. The vital questions were: what impact the changes would have on the developing countries; whether those countries would be able to secure appropriate development; and whether they would be in a position to benefit from the "peace dividend". The Council should strive to find answers to those questions.

73. The countries of North and South, assessing the 1980s during the eighteenth special session of the General Assembly, had acknowledged that the decade had been a lost one for the growth and development of most developing countries. They had likewise recognized that the greatest challenge they had to face in the coming years was the revitalization of economic growth and so-

cial development in the developing countries. That revitalization called for a speedy solution to the problem of those countries' external debt, the securing of development finance, the creation of an open system of trade and the promotion of diversification in the developing countries' economies.

74. The third part of the Declaration set out a number of commitments and policies for international development co-operation. The measures to be taken in that regard, both by developed and developing countries, would not fully solve world economic and social problems, but they were a first step towards the implementation of the Declaration's provisions.

75. He stressed that the Declaration must not simply remain a historic landmark. The opportunity to offer the world a new era of peace and prosperity through its speedy implementation should not be allowed to slip by.

76. Mr. ETUKET (Observer for Uganda) said that, since the adoption of the Declaration, the prospects for long-term economic growth and development had not improved in Africa. Despite the African countries' enormous efforts and sacrifices in pursuit of their policy of structural adjustment and economic reform, Africa was still beset by economic recession, reflected in a general fall in the standard of living and a rending of the social fabric which had set at nought much of the post-independence progress. The financial assistance provided to the continent was not only inadequate but was aimed at dealing with short-term financial imbalances, whereas the long-term problem of economic transformation was the one to be tackled.

77. If the Declaration's implementation was to succeed, an international climate favourable to growth and development had to be created. In that connection, the international community and, in particular, donor countries and multilateral financial institutions should show political will and give tangible support to the goals set forth in the Declaration. That support should, in his view, be unconditional; indeed, it should take fully into account the needs and priority goals of the region's countries.

78. With regard to agenda item 11 ("Programme questions"), to be considered later, he said that his delegation was particularly interested in the recommendation addressed to the General Assembly by CPC to the effect that, when the General Assembly came to adopt the medium-term plan for the period 1992-1997, it should have a separate programme, within the plan, on African recovery and development and should authorize the Secretary-General to draw up a suitable plan of action.

79. In order to assist the least developed countries, which continued to suffer from absolute poverty, malnutrition and all forms of deprivation, the Council should address specific recommendations to the Second United Nations Conference on the Least Developed Countries, to be held in Paris in 1990. Those recommendations should focus, *inter alia*, on means to reduce the stock and servicing of those countries' external debt, on ways to improve market access for their commodities and on the stabilization of their export earnings through the establishment of remunerative prices for their commodities. He hoped that the Uruguay Round of multilateral trade negotiations would be successful and would strengthen the multilateral system by offering new prospects for the developing countries' exports.

80. The African countries were busy mobilizing all their resources in order to secure prosperity for their peoples and they attached high priority to economic co-operation and integration. In that connection, he hoped that the Council would unanimously support the wish expressed during the general discussion by the Executive Secretary of ECA (20th meeting), who had requested that the Multinational Programming and Operational Centres (MULPOCs) and the African Institute for Economic Development and Planning should be strengthened. Those bodies were in a good position to support the achievement of the African continent's economic integration goals.

81. Commenting on issues which had been raised during the general discussion, he said that one particular question was that of the possible merging of United Nations bodies, a matter which had been raised in other forums, including CPC, where the discussions had left no room for the conclusion that the idea was feasible in the current circumstances. In the absence of adequate information, the Council would find it hard to take a decision on the matter. It should be borne in mind that the United Nations system consisted of entities which had been established over the years and which had their own statutes, mandates and programmes of work. Except for the institutions established under the Bretton Woods agreements, they had concluded agreements with the United Nations providing for the co-ordination of their activities in the spheres of planning, programming and budgeting. Article 17, paragraph 3, and Articles 57 and 63 of the Charter of the United Nations provided for the existence of such agreements. As a result, a mechanism for co-ordination between the United Nations and its agencies did exist and it simply had to be utilized effectively. The question which arose was how the planned new co-ordination mechanism, if adopted, would function in relation to the existing mechanism. And any new mechanism ought also to include the Bretton Woods institutions.

82. He supported the revitalization of the Council, but thought it regrettable that certain States should make that revitalization a condition of their support for the Organization.

The meeting rose at 1.10 p.m.

27th meeting

Wednesday, 11 July 1990, at 3.10 p.m.

President: Mr. Chinmaya Rajaninath GHAREKHAN (India)

E/1990/SR.27

AGENDA ITEM 1

Adoption of the agenda and other organizational matters (*continued*)[*]

CONVENING OF AN INTERNATIONAL MEETING ON POPULATION IN 1994

1. Mr. AHMED (Under-Secretary-General for International Economic and Social Affairs) drew attention to Council resolution 1989/91 concerning the convening of an international meeting on population in 1994 and the modalities for the meeting. In consultation with the regional commissions and other concerned organizations and entities, the secretariat was preparing a comprehensive report to assist the Population Commission, the preparatory committee for the meeting, in its deliberations on the issues to be included.

2. The Secretary-General had taken a number of preparatory steps for convening the meeting. He had designated the Executive Director of UNFPA to act as Secretary-General of the meeting and the Director of the Population Division as Deputy Secretary-General. Concerning the financing of the meeting, the Secretary-General had written to all Member States seeking their participation and support and intended to pursue the matter vigorously in the coming months.

3. To ensure a well co-ordinated secretariat-wide approach to the preparations for the meeting, the Steering Committee on Population under the chairmanship of the Director-General had initiated secretariat-wide action on the implementation of the Council resolution. The Secretary-General intended to use the existing mechanisms for inter-agency consultations, including the ACC machinery, for system-wide co-ordination of the preparatory process and to ensure that the regional commissions, the specialized agencies and other United Nations bodies would make a substantive contribution to the international meeting.

4. An international meeting on population would provide the international community with a unique opportunity to share information and experiences and agree on a global course for further action in the population field. The Population Division had recently completed its biennial revision of the global estimates and projections of national population by size and demographic components. According to the revision, the world population reached 5.3 billion at mid-year 1990 and was growing at a rate of 1.7 per cent a year. According to the medium-variant projections the world population would reach 8.5 billion in 2025, an increase of 60 per cent over 1990.

5. Population growth levels and trends differed markedly between the more developed and less developed regions. The 60 per cent figure in fact represented a 12 per cent increase in the population of the more developed regions and a 75 per cent increase in that of the less developed regions. Those realities had far-reaching social, economic and environmental implications which required a global response.

6. He looked forward to continued guidance and support from the Council as the preparations for the international meeting on population proceeded.

7. Mr. WANG Baoliu (China) said that, despite progress by the developing countries in controlling rapid population growth, figures such as those cited gave little cause for optimism. Of particular concern was the fact that 90 per cent of the world's population growth was concentrated in the developing countries, especially certain of the least developed countries, seriously impeding their development process. Drastic population growth and demand inflation led to over-exploitation of resources, pollution of the environment and many social problems.

8. His delegation believed the population issue was an important factor in economic and social development and that each State should formulate its own comprehensive population development strategy. China, for its part, considered its family planning programmes to be a matter of long-term basic policy. Its fourth population census had begun on 1 July 1990. The census was important from the point of view of controlling population growth, improving population quality and planning for social and economic development in the 1990s.

9. In order to resolve the interrelated problems of population, resources, environment and development, international exchanges and co-operation in the field of population should be strengthened. His delegation reiterated its support for the convening of an international meeting on population in 1994 under the aegis of the United Nations.

10. Mr. SILALAHI (Indonesia) expressed his delegation's appreciation of the Secretary-General's efforts in preparation for the international meeting on population in 1994. It especially welcomed his designation of

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[*] Resumed from the 18th meeting.

Dr. Nafis Sadik, the Executive Director of UNFPA, as Secretary-General of the meeting and the Director of the Population Division as Deputy Secretary-General.

11. Despite the progress made by many developing countries since the founding of UNFPA in 1969, much more needed to be done. Projections showed that world population might nearly triple to 14 billion by the year 2100 if resources to implement strategies such as family planning were not forthcoming.

12. In Indonesia, the national family planning programme had been launched over two decades earlier and had gained a measure of success. The country was proud that its President had been chosen to receive the United Nations Population Award in 1989. Indonesia had gone a long way towards overcoming constraints such as cultural traditions and the ever-present cycle of poverty in its efforts to achieve sustainable development and stable population growth.

13. Population as it affected the quality of life in the developing countries would be among the issues addressed by the Fourth Asian and Pacific Population Conference, to be organized by ESCAP in 1992 and hosted by the Government of Indonesia. The Conference, co-sponsored by UNFPA, would no doubt provide significant inputs for the international meeting on population in 1994.

14. Mr. GHEZAL (Tunisia) said that his delegation fully supported the action taken by the Secretary-General. Ensuring that the mass of the population enjoyed at least a minimum standard of well-being was a major objective of the Governments of developing countries, the attainment of which was seriously hampered by constraints of the type referred to by the Under-Secretary-General for International Economic and Social Affairs. The international meeting on population in 1994 would require the contribution of every United Nations body in order to guarantee proper preparation and the implementation of its recommendations on demographic policies.

AGENDA ITEM 7

Development and international economic co-operation (*continued*):

(*a*) Trade and development

15. Mr. DADZIE (Secretary-General of the United Nations Conference on Trade and Development), speaking as Secretary-General of the Second United Nations Conference on the Least Developed Countries, said that preparations for the Conference, due to open on 3 September 1990, were entering their final stage. UNCTAD's work on the Conference had been greatly facilitated by the co-operation of Governments and of all the organizations of the United Nations system.

16. Discussions at preparatory meetings had demonstrated widespread concern that the 41 least developed countries would remain at the periphery of development and would continue to do so unless their national efforts were substantially complemented by resolute international support. It was now accepted that the 1990s must not reproduce the failures of the 1980s.

17. Reversal of the deterioration in the living standards in most least developed countries and the creation of conditions for accelerated growth and development were an ethical imperative and dictated by the long-term political, economic and environmental interests of the entire international community. The Governments of the least developed countries and their development partners must shoulder their responsibilities in accordance with their capacities and join in a partnership to ensure that the structural transformation of the least developed countries was set on a steady course towards achievement of their national development objectives for the 1990s.

18. Experience in recent months and progress in the preparation of the Conference in the Intergovernmental Group on the Least Developed Countries justified cautious optimism. The draft programme of action elaborated by the Group[1] was comprehensive and already contained a significant amount of agreed language. In particular, the draft contained new elements that had been missing from the Substantial New Programme of Action for the 1980s for the Least Developed Countries. It emphasized the need for commitment, specificity and adaptability leading to the conclusion that the new programme would stand or fall on the effectiveness of its follow-up mechanisms at the national, regional and global levels. It accepted the need for structural adjustment programmes as an important element in the rehabilitation of least-developed-country economies. It reflected wider recognition of the role of the enterprise sector as a determinant of development, acknowledged the population issue as a fundamental problem and emphasized the role of women in development to a greater extent than in the past. In addition to the new elements, the draft programme explored familiar territory in greater depth than in the past.

19. The draft programme established the basic principles which should guide the relationship between the least developed countries and their development partners, the central objective of which was to restore growth and development in the least developed countries through greater coherence and complementarity between national and international efforts. It explicitly dealt with their specific characteristics, such as poverty, the lack of articulation and structural fragility of their economies, vulnerability to external shocks, lack of savings and entrepreneurial capacities, the shortage of trained and skilled manpower, institutional weaknesses and geophysical and ecological handicaps.

20. In regard to domestic sectoral policies, the draft stressed the need for improving institutional capabilities and mobilizing human resources, recognizing the role of women and non-governmental organizations in the

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[1] A/CONF.147/PC/Misc.5-TD/B/AC.17/Misc.12.

development process. There was also broad agreement on a range of policy recommendations in such areas as agriculture, the industrial sector, education, population, science and technology, health and sanitation, infrastructure, disaster mitigation, preparedness and prevention.

21. With regard to financing, the draft programme stressed the need for sufficient resources, both domestic and external. It set out policies relating to the promotion and effective use of domestic savings and emphasized the need for a supportive external environment, including adequate external flows to complement domestic efforts, improvement in aid modalities and effectiveness and increases in external private non-debt-creating flows. The question of an ODA target remained unresolved.

22. Agreement had not been reached on the major issue of external indebtedness of the least developed countries. The unresolved questions were: (*a*) measures for debt reduction through cancellation of official bilateral debt, concessional and non-concessional, including debt in respect of official and officially guaranteed export credits covered by the terms agreed at the Toronto Economic Summit and their extension to a wider range of least developed countries; (*b*) measures to alleviate the debt service obligations of the least developed countries to multilateral institutions; (*c*) measures to cope with commercial debt and (*d*) measures ensuring that resources provided for debt reduction and debt relief were additional to the aid budget.

23. There had been convergence on the need to improve market access for products from the least developed countries and to enhance the benefits they derived from GSP schemes, but specific measures were yet to be agreed upon. The same applied to the possibility of increasing the availability and automaticity of compensatory financing.

24. The issue of human rights as a key factor in development had not attracted a consensus and would have to be further discussed at the Second United Nations Conference on the Least Developed Countries. In that regard, the consensus on human rights at the eighteenth special session of the General Assembly could provide useful elements for an agreement in Paris.

25. Despite significant areas of convergence, the consensus had not been complete. Some of the outstanding issues, which included ODA targets, debt relief, the environment, market access, compensatory financing, institutional reform, food aid, transport and communication and the service sectors, would only be resolved through consultations at the ministerial level at the Conference itself, but consultations were already under way with a view to narrowing differences. Recently a mission made up of the Ministers for Foreign Affairs of Bangladesh, Somalia, the Sudan and Togo had visited a number of major donor capitals to discuss differences of views regarding the draft programme. The mission had been very successful in ensuring a better perception by the least developed countries and donors of each other's interests and concerns.

26. The Conference should not be seen as an isolated event but as an important chapter in the development dialogue. Support by the industrial countries for an effective new programme of action would be universally viewed as a politically constructive move in the context of a general revival of development co-operation. The remainder of the developing countries also had much to gain from a positive outcome. That was not simply a matter of solidarity. It was important also because failure might lead to further marginalization of the South as a whole. Those points were important at a time of growing apprehension that the rising tide of change in Eastern Europe might divert attention and resources from the North-South agenda. Unfortunately, the Houston Economic Summit had apparently not responded to that concern.

27. Mr. NAVAJAS MOGRO (Observer for Bolivia), speaking on behalf of the Group of 77, said that the Second United Nations Conference on the Least Developed Countries came at a time when a new spirit seemed to be inspiring international relations. It was a time of hope and expectation for the international community, in particular for the countries of the third world and the least developed countries especially.

28. The asymmetric situation of the world economy was a cause of most serious concern to the Group of 77. It shared the profound anxiety felt at the ever deepening crises by which the least developed countries, the weakest and most vulnerable group among the developing countries, were being overwhelmed. General Assembly resolution 42/177 was a powerful statement of the problems and urgent needs of the least developed countries, and contained recommendations for measures of international support in the 1990s. The Group of 77 was convinced that the necessary effort would be made at the Conference to launch a programme of action envisaging effective solutions for the grave problems confronting the least developed countries.

29. There must be a strong political commitment to a positive attitude towards the question of internationally agreed ODA targets. Urgent measures to solve the growing and already overwhelming burden of external debt were equally important. On that point, the position of the Group of 77 was that the external debt of the least developed countries should be written off completely. The questions of improving commodity trade and of establishing a compensatory mechanism for losses caused by falling export prices were other themes of fundamental importance. The Group welcomed the consensus in the Preparatory Committee on the need to formulate a new programme of action for the least developed countries for the 1990s.

30. The remaining time before the Conference should be used to promote a greater convergence of views on the questions still not settled. In that connection, the Group of 77 hoped the ministerial mission, which had discussed the outstanding issues in various capitals, had been able to reach an understanding with the major donor Governments on the matters to which he had referred

and the urgent need to contribute more effectively to solving the specific problems of the least developed countries.

31. The Group was confident that the consultations being held by the Secretary-General of UNCTAD, in accordance with General Assembly resolution 42/177 and the relevant decisions of the Preparatory Committee, would also contribute to a successful outcome of the Conference.

32. He reiterated the Group of 77's commitment to full support and co-operation to ensure the success of the forthcoming Conference.

33. Mr. KOIKE (Japan) said that the Conference provided a valuable opportunity to review the situation of the least developed countries during the 1980s and suggest courses of action for individual nations and for the international community. His delegation hoped that the outcome would truly enhance the development of the least developed countries.

34. In that context, he expressed his delegation's appreciation of the work of the Intergovernmental Group on the Least Developed Countries. It noted that the meeting held in April 1990 had made substantial progress in assessing the socio-economic achievements of the 1980s and formulating a programme of action for the 1990s. Although difficult issues remained to be resolved at the Conference, the Group members were to be congratulated.

35. Having achieved by 1986 the Substantial New Programme of Action target of doubling its total ODA to the least developed countries, Japan had continued to strengthen its assistance to developing countries, particularly the least developed. In 1989, its overall ODA disbursement had risen to approximately $9 billion, making Japan the largest donor among DAC members. At the same time, its bilateral assistance to the least developed countries had steadily increased, reaching $1.2 billion in 1988, or 18 per cent of its total ODA. Nearly one quarter of Japanese grant aid went to the least developed countries, clearly reflecting its policy of strengthening aid to those countries.

36. Japan intended to continue to strengthen its co-operation with the least developed countries to promote their development in the field of trade as well as helping to solve debt problems.

37. At the end of June 1990, a ministerial mission from the least developed countries had visited Japan and held talks with the Prime Minister, the Foreign Minister and others, including business leaders. Japan had welcomed the mission and greatly appreciated the efforts of the least developed countries to explain the problems facing them to the Japanese political leadership. Such meaningful consultation and dialogue, not only between donors and the least developed countries but among the least developed countries, was to be welcomed. It was for that reason that Japan had provided financial support for the Ministerial Meeting held in Dhaka from 10 to 12 February 1990.

38. His delegation hoped the forthcoming Conference would achieve positive and concrete results. The developed and developing countries shared responsibility for development, particularly of the least developed countries. The Declaration adopted at the eighteenth special session of the General Assembly (resolution S-18/3) had been formulated in just such a spirit of shared responsibility. His delegation hoped the same spirit would prevail at the Conference, at which the Japanese Government intended to play an active part.

39. Mr. TRAXLER (Italy), speaking on behalf of the European Community and its member States, said that the Governments of the Twelve were following the preparations for the Second Conference closely. They believed the Conference should take stock of, and learn from, the implementation of the Substantial New Programme of Action for the 1980s for the least developed countries adopted at the first Conference. That would help member countries to negotiate concrete measures to enhance the development efforts of Governments of the least developed countries. The implementation of the first Programme of Action had encountered serious difficulties that had been aggravated by adverse external conditions, including the drop in prices of many commodities and the resulting reduction in export earnings of the least developed countries. Financial and aid flows had also remained below the levels envisaged. However, internal problems of the least developed countries, and in some cases policy failures, as well as the lack of adequate reforms had contributed to the disappointing record of the first Programme.

40. In that connection, the Twelve wished to express appreciation for the declaration adopted by the Ministers of the least developed countries at their meeting in Dhaka.[2] The Ministers had reaffirmed the negative impact of persistent unfavourable external conditions and noted the insufficient flow of resources, but had also recognized in clear terms that the least developed countries themselves had the primary responsibility for their own social and economic development. They had also recognized that development of human resources as well as sound economic policies were fundamental for lasting development.

41. The Twelve urged the least developed countries to adopt and implement policies to limit population growth, to enhance broad participation in decision-making and to recognize the role of women by eliminating all forms of discrimination, intensifying education and recognizing their role in economic life. They also urged those countries which were not already doing so to devote a larger share of their national budgets to health and sanitation, as well as public education policies. The international community was likely to be very supportive of programmes of that type. Resources for that purpose might also come from current expenditure for non-productive purposes. For example, in some least developed countries there was a very high level of unnecessary military expenditure.

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[2] See A/CONF.147/PC/6-TD/B/AC.17/34 and Add.1.

42. The Twelve wished to assure the Governments of the least developed countries that the European Community and its member States would strengthen their support for those countries' development efforts. They would take into consideration the suggestions and recommendations of the Dhaka meeting. Referring to ODA specifically, he conveyed the assurance of the Community Governments that recent events in Central and Eastern Europe would not detract from their financial efforts to tackle the problems of developing countries, particularly the least developed. On the contrary, they were determined not to let other problems on the international agenda overshadow their commitment to assist the poorest members of the world community.

43. They could not do otherwise, since, of the 42 least developed countries, 32 were partners of the European Community under the ACP-EEC Convention, signed at Lomé, that represented a possibly unique effort to counter the plight of the least developed countries through the inclusion of particularly favourable terms and concessions. The Community had included new instruments in the Convention, such as support for structural adjustment, and had agreed to disburse almost 100 per cent of the other Lomé funds in the form of grants. The Lomé Convention, with a 10-year duration and an increase in resources of roughly 46 per cent for the coming five years, had no parallel in current international cooperation for development. The least developed countries not parties to the Convention had also received additional resources from the Community, the extension of the Stabex system to cover some of their products, and broad duty-free access to Community markets for most of their exports. Stabex funds had been increased by 62 per cent under the Fourth ACP-EEC Convention, signed at Lomé on 15 December 1989.

44. The Twelve found the quality of the preparatory work done so far satisfactory. They were confident that the points of divergence still remaining in the draft programme of action would be eliminated through further negotiations. A remarkable degree of consensus had been achieved so far. The experience of the 1980s with structural adjustment had been taken to heart, as had the conviction of many Governments that economic progress could not be sustained unless it was based on respect for human rights, democracy and participation, private initiative and accountable government.

45. It had also been agreed that the Conference should provide guidance for the future and that to do so the programme of action must concentrate on practical, realistic measures. It was, of course, for the Governments of the least developed countries to formulate sound development policies, but, where they already existed or would be adopted, the international community must provide all the necessary help, the more so since the structural and economic weakness of the least developed countries was such that without external assistance they could not possibly resume their economic and social development. All countries, including the least developed, should create conditions in which external assistance could be effectively used, thus generating more resources and facilitating the productive investment of domestic savings. There again, the least developed countries needed a favourable external environment and solidarity from the richer countries.

46. The Twelve accepted that, for most least developed countries, private-sector financing would remain limited for some time and dependence on ODA remained critical. Many would need higher concessional flows or resources to cover their external financing needs for years to come. The Twelve trusted that the Conference would be helpful in that respect. In the meantime, they reiterated their acceptance of the agreed ODA targets, including the special target of 0.15 per cent for the least developed countries.

47. However, the Conference must also recognize that aid effectiveness remained crucial, as did improved coordination to achieve a better use of aid resources. The burden of external indebtedness had become unbearable for many of the least developed countries. Much of the debt was owed to multilateral financial institutions and to creditor Governments. EC Governments had formulated proposals that had contributed to the search for solutions at the international level. The Twelve had a special role to play in that field, since they were the creditors of a very large portion of the debt of the least developed countries. In 1988, half of the bilateral official debt of sub-Saharan Africa was owed to members of the Community. The EC Governments recognized that further enhancements would probably be needed in the debt relief measures identified at the Toronto Economic Summit and in the efforts made by creditor Governments in the Paris Club. Important amounts of official debt, roughly estimated at about $8 billion, had been or were being cancelled by some EC Governments. It was hoped that the Second United Nations Conference on the Least Developed Countries would pave the way for substantial steps forward in that direction also, and give momentum to a comprehensive application of earlier UNCTAD resolutions on official debt of the least developed countries.

48. Mr. Traxler assured the Council that, at the Conference, the Twelve would contribute substantially to the search for ways and means of stopping the continuing deterioration of the socio-economic situation in the least developed countries and helping them to resume growth.

49. Mr. UR-RASHID (Observer for Bangladesh) said that in the 1980s a combination of unfavourable external economic factors had seriously impaired the least developed countries ability to resume growth and development and to meet the basic needs of their populations. The hopes kindled by the adoption of the Substantial New Programme of Action in 1981 had faded away. Against that backdrop, the Second United Nations Conference on the Least Developed Countries assumed great significance.

50. The current session of the Council was a last opportunity to consider preparations for the Conference at intergovernmental level. Those preparations had entered the final phase. The substantive issues before the Confer-

ence had been considered by the Intergovernmental Group on the Least Developed Countries serving as the Preparatory Committee for the Conference. His delegation regarded the outcome of that meeting as encouraging. It had been agreed that the Conference should finalize and adopt a programme of action for the 1990s. The draft programme of action which had been prepared contained national and international measures for the least developed countries during the 1990s, as well as mechanisms for the follow-up, monitoring and review of the implementation of the programme of action. Not all the measures had been agreed upon at the meeting of the Intergovernmental Group. Although there had been a convergence of views on most of the areas relating to domestic action, action on a number of primarily international issues could not be agreed on. Those issues, which included the volume of official external resources, external indebtedness, trade issues, and the monitoring and follow-up of the programme, were of crucial importance to the least developed countries.

51. While the success of development programmes for the least developed countries during the 1990s would depend to a large extent on their own efforts, they would continue to have to rely on a supportive external economic environment and adequate assistance from the international community. The need for a substantial increase in ODA could hardly be over-emphasized. If development assistance was to contribute meaningfully to their socio-economic progress, it would have to be geared to supporting the overall objectives of their development policies. The volume, timeliness and terms of such aid should correspond to their immediate, short-term and long-term requirements. Although there had been agreement in the Intergovernmental Group on the need for a sufficient volume of support, the question of a target for ODA remained unresolved.

52. External indebtedness had been extensively considered by the Group. However, the entire section on debt in the draft programme of action had been left in square brackets as the matter could not be resolved at the meeting. For a large number of least developed countries, debt overhang had become a most serious obstacle to development and the situation clearly called for urgent action to reduce their overall debt.

53. Key unresolved areas pertaining to external trade were access to markets, compensatory financing and commodities. Effective international measures in regard to trade were imperative to unlock growth in those countries. Decisive action must be taken on measures for greater market access, greater utilization of tariff preference schemes and easier access by least developed countries to compensatory financing, as well as greater automatic compensation and measures relating to commodity arrangements and agreements.

54. Lastly, a number of issues in respect of monitoring and follow-up, including strengthening the focal role of UNCTAD and the frequency of review meetings, awaited resolution.

55. His delegation was confident that, during the Conference, the development partners would come forward with resolute political will to resolve those and other outstanding issues. The least developed countries were ready to discuss all unresolved questions with a view to arriving at a consensus. They also trusted that the Conference would be attended at a high level, as provided for in General Assembly resolution 42/177.

56. The preparations by the least developed countries themselves for the Conference had included a ministerial meeting of African least developed countries, in Addis Ababa on 4 and 5 April 1989, which had adopted a declaration that constituted an important contribution to the forging of a common position on issues of critical importance. A first ever ministerial-level meeting of all least developed countries had been held in Dhaka from 10 to 12 February 1990. That meeting had constituted a watershed in the evolution of a common approach by the least developed countries to their developmental problems in general and the preparations for the Second Conference in particular. The Ministers had adopted the Dhaka Document, the annex to which contained the common position of the least developed countries on the issues before the Second Conference. In addition, the Ministers had decided that, following the Intergovernmental Group meeting, a ministerial mission of least developed countries should visit donor capitals to inform their Governments about the needs and problems of the least developed countries. In recognition of the importance of arrangements for consultations among least developed countries on a regular basis, and in order to monitor and follow up the programme of action, the Ministers had also decided to hold meetings in New York during the regular session of the General Assembly. A decision was also adopted establishing in Dhaka a centre for research on least developed countries.

57. The ministerial mission had visited several donor countries in June 1990. The Ministers had held discussions on the issues before the Second Conference, particularly the unresolved issues, with their counterparts, as well as at the level of head of State or Government. He was sure that the encouraging outcome of the mission would be reflected during the negotiations at the Second Conference.

58. Mr. NAMFUA (Observer for the United Republic of Tanzania) said that the 1980s, despite good intentions on the part of donors and the least developed countries, had left many of the expectations raised at the United Nations Conference on the Least Developed Countries, held in 1981, unfulfilled. The convening of the Second Conference seemed to indicate the international community's refusal to accept defeat by the challenge posed by the predicament of the least developed countries. The draft programme of action for the 1990s formulated by the Preparatory Committee for the Conference represented a collective response to that challenge. Whether it would amount to an adequate response depended on political will, especially of developed donor countries.

59. The least developed countries would be looking forward to the acceptance by donors of the proposals put forward in respect of the volume and targeting of aid, in particular the attainment of the Substantial New Programme of Action target of 0.15 per cent by the mid-1990s, increasing to 0.2 per cent by the end of the decade. Other proposals concerned debt relief, particularly the writing-off of outstanding official and officially guaranteed debt; trade, especially assistance for the diversification and expansion of exports; compensatory financing of export earning shortfalls and more flexible procedures of access to the IMF Compensatory Financing Facility; and lastly, market access.

60. As the Second Conference coincided with the final phase of the Uruguay Round of multilateral trade negotiations, the international community, particularly the major trading nations, had a great opportunity to reinforce the measures to be agreed upon at the Conference with adequate measures in favour of the least developed countries. Like other developing countries, the least developed were concerned that, hitherto, developmental considerations reflecting their individual needs had been neglected. Their room for manoeuvre in their efforts to transform their economies should not be further constrained by the results of the Uruguay Round.

61. If the international community allowed the commitments of the 1990s to be characterized by half measures, the situation in the least developed countries might possibly be worse than if there was no framework for action. If economic reforms failed because the external financing component failed to materialize on time, the credibility of a reform programme was put in jeopardy, at great social, economic and political cost. The resistance to economic reform measures in many developing countries could largely be attributed to the poor synchronization of external financial flows with domestic efforts to implement structural adjustment measures. The only way to ensure sustained domestic support for reforms was to arrest further economic and social decline and restore growth. That implied that each side, the donor community as well as the least developed countries, should carry its share of the burden without slackening, once a collective commitment had been made. In that way, the principle of shared responsibility and strengthened partnership for development would assume a practical and tangible meaning.

62. Mr. EL GHAOUTH (Mauritania) noted that in addition to the Dhaka meeting of Ministers of Foreign Affairs of the least developed countries and a conference of Ministers of Planning of African least developed countries, technical or sectoral meetings had been organized in Niger, the Netherlands, the Soviet Union, Finland and Nepal. The General Assembly had decided to convene two preparatory meetings. The first was a meeting of governmental experts of donor countries and multilateral and bilateral financial and technical assistance institutions with representatives of the least developed countries in May 1989, and the second was the meeting of the Preparatory Committee for the Conference, held in March-April 1990.

63. The resulting draft programme of action for the 1990s, which would be put before the Conference, reflected a common vision of the principal approaches to the problems of the least developed countries, although agreement had still to be reached on a number of key issues.

64. One of those questions was the ODA target. It was proposed that, by the end of the 1990s, ODA should reach the equivalent of 0.2 per cent of the GNP of developed countries; currently, it stood at 0.09 per cent instead of 0.15 per cent fixed in 1981. Some countries had already achieved or gone beyond the desired rate of 0.2 per cent and several others had reached the existing target of 0.15 per cent or thereabouts. Only three countries had objected to the proposal.

65. On the debt burden, nearly all the partners, with the exception of a single country, had accepted the pressing need to lighten the debt burden of the least developed countries considerably, but that objection had prevented the General Assembly from tackling the debt question at its eighteenth special session. Other questions, concerning human rights, democratization, accountability and privatization, which were political in nature, had been left in abeyance. It had been thought advisable to leave trade matters to the Conference and wait to see how the Uruguay Round proceeded.

66. While it was too early to evaluate the results of the least developed countries ministerial mission which had visited Europe, America and the Far East, it was encouraging that it had been received by the Heads of Government of the three countries that had not joined the consensus on the questions to which he had referred earlier.

67. His delegation welcomed the UNDP Governing Council's decision to allocate 55 per cent of the resources under the fifth programming cycle to the least developed countries and to recognize their being in a special category. The Council should request the specialized agencies, particularly the multilateral financial institutions, to apply that concept.

68. Over 20 years after the international community had first recognized the special difficulties of the least developed countries, it was disturbing that so many extremely poor nations should still be struggling in desperately difficult circumstances simply to survive. The countries concerned were the most deprived in the world. For example, their per capita GNP was four times lower than that of the developing countries and 40 times lower than that of the developed countries. The adult literacy rate barely exceeded 30 per cent in the least developed countries, compared with 60 per cent in the developing countries and nearly 100 per cent in the developed countries.

69. Social conditions in the least developed countries were deteriorating. Malnutrition had increased, mortality rates were high, housing conditions were poor and basic social services were generally inadequate. Unemployment was endemic and general living conditions had deteriorated to well below the acceptable international minimum standards.

70. All the least developed countries were vulnerable to environmental degradation and the victims of major natural disasters including drought, desertification, locust plagues, floods and cyclones.

71. He hoped the Conference would agree on a pragmatic debt strategy including the unconditional cancellation of all of the least developed countries' debts. It was important too that the financial resources made available should be predictable and sufficient to guarantee their growth and development during the 1990s.

72. In view of their dependence on exports of a small number of agricultural commodities, attention should be given to the diversification of exports and measures to improve market access in the industrialized countries. Special treatment should be accorded to the least developed countries under multilaterial and bilateral schemes providing compensation for export losses, such as the Stabex and Sysmin arrangements and the IMF Compensatory Financing Facility. Machinery, in which UNCTAD would play the leading role, should be set up to evaluate implementation of the programme of action for the 1990s.

73. Mr. DJOUDI (Algeria) considered that the continued commitment by UNCTAD to promoting the economic and social well-being of the most deprived countries was encouraging.

74. The effects of the lost decade for development, as the 1980s had been called, had been catastrophic for the least developed countries. They had suffered years of stagnation or even economic regression. Living standards had declined and the external debt burden had almost doubled over the decade to a level equivalent to more than half the GNP of the overwhelming majority of the least developed countries. As a result of that situation, their number had increased from 31 at the beginning of the 1980s to 42. Another African country would shortly be added to the list in accordance with CDP's recommendation at its last session.

75. Aid had not been forthcoming in sufficient quantities. For example, Africa's Priority Programme for Economic Recovery 1986-1990,[3] which the African countries had submitted to their developed partners at the thirteenth special session of the General Assembly, had not elicited a proper response. The African countries had shouldered their responsibilities, but the commitments freely entered into by the international community had yet to be implemented. Similarly, failure to meet the ODA targets of the Substantial New Programme of Action had helped to worsen the economic situation of the world's poorest countries. The niggardly implementation of resolution 165(S-IX) of the Trade and Development Board had not provided the debt service relief envisaged on its adoption on 11 March 1978 and the selective application of the measures adopted at the Toronto Economic Summit had so far been of benefit to only a quarter of the countries qualified to receive the relatively modest assistance available.

76. Lack of external support had been largely responsible for the failure of the structural adjustment programmes of the least developed countries sponsored by the multilateral financial institutions. The limitations of such programmes had been highlighted in the detailed study in the *Trade and Development Report, 1990*.[4]

77. The structural deficiencies of such programmes were at the root of the difficulties encountered by a number of least developed countries in meeting their multilateral contractual obligations. In that area, too, the principle of shared responsibility should be applied. Exclusion of the countries concerned from participation in multilateral financial institutions was no solution. The only remedy was the urgent adoption of international measures for their economic recovery and development.

78. The Conference would offer an opportunity for the adoption of a bold programme of action which, it was hoped, would enable the poorest countries of the world to find their way back to growth and development.

79. Mr. LEMERLE (France) wished to emphasize the importance France, as host country for the Second Conference, attached to the needs of the least developed countries. The Conference would consider the problems of the 42 least developed countries, all of which were sorely in need of strengthened international co-operation. The subject was of interest to all developing countries and to the entire international community.

80. His Government called on all countries to play an active part in the work of the Conference. He hoped delegations would be headed by ministers in order to give added political weight to the decisions taken. The participation of heads of State or Government would have even greater favourable political significance.

81. His delegation welcomed the work carried out by the Preparatory Committee at its last session. While difficulties remained to be resolved, the draft programme of action already held out the promise of specific and effective measures on behalf of the least developed countries. His delegation would spare no effort to that end.

82. Mr. TSEGAYE (Observer for Ethiopia) said that the least developed countries had made every effort to advance their economic and social development by introducing new policies and applying structural adjustment programmes. Since the programmes had been largely imposed from outside they had for the most part resulted in drastic social and political deterioration with no real improvement in economic performance. In that situation, the African Governments had formulated the African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation[5] in the hope of mitigating the adverse effects of the orthodox adjustment programmes. Despite the Council's

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[3] A/40/666, annex I, declaration AHG/Decl.1(XXI), annex.

[4] United Nations publication, Sales No. E.89.II.D.14, part two.

[5] A/44/315, annex.

favourable reception of the initiative, most donors were still reluctant to base their assistance on the African Alternative Framework. So long as such initiatives went unheeded, the least developed countries' efforts to promote their development would be frustrated.

83. Other least developed countries were endeavouring to improve their economic and social situation by initiating new policies. Ethiopia had recently introduced a new economic policy for a mixed economy, which was expected to provide a sound framework for the efficient functioning of the private and public sectors of the national economy and for the participation of foreign enterprises.

84. The efforts of least developed countries at the national level had been thwarted by the unfavourable economic climate. The wholehearted support of the entire international community was called for, but the support provided had been modest and their social and economic conditions had continued to deteriorate. The major objectives of the Substantial New Programme of Action had not been attained and the gap between the least developed countries and the affluent countries was widening.

85. It was to be hoped that the Conference would provide a framework for substantial support by the international community to the continued efforts of the least developed countries to overcome their development problems. In particular, his delegation hoped the international community would increase development resources by meeting the ODA targets in the draft programme for the 1990s, by cancelling or reducing bilateral and multilateral debt and by providing market access to export products from the least developed countries.

86. His delegation appreciated UNCTAD's contribution to the cause of the least developed countries and believed that it should be enabled to play an even greater part as the focal point for the development of the least developed countries.

87. Mr. WANG Baoliu (China) observed that, because of the worsening economic situation in the 1980s, the number of least developed countries had increased from 31 at the beginning of the decade to 42. Their annual average growth rate in the 1980s had been only 2.2 per cent, far below the rate envisaged in the Substantial New Programme of Action. Living standards had fallen, the terms of trade had deteriorated and debt burdens had become heavier. Many of the least developed countries had also been the victims of natural disasters. The international community should work to improve their economic situation through increased assistance and new policy measures to revitalize their development. It was highly important that a programme of action for the 1990s should be adopted as soon as possible, with due respect for the sovereignty of the countries concerned and their right to choose their own social system and road to development and to develop their own natural economies. He welcomed the efforts to reach a consensus on the unresolved issues in the present draft programme of action.

88. China had consistently shown its understanding of their difficulties and had supported them to the best of its ability. Since it was not itself at an advanced stage of development, its assistance was limited, but it would continue to help within the context of South-South co-operation.

89. Mr. LAVROV (Union of Soviet Socialist Republics) said that the forthcoming Conference was one of the most important forums of the year. The preparatory work by the Intergovernmental Group and the expert meetings and seminars organized by the UNCTAD secretariat in co-operation with a number of Governments and with non-governmental organizations, held in various cities, including Moscow, had produced some useful basic documents providing an objective evaluation of the social and economic situation in the least developed countries in the 1980s and a realistic framework for the programme of action for the 1990s. The priority problems of the least developed countries included the formulation of macro-economic policies, the creation of a suitable infrastructure, access to external markets, the mobilization of human resources, the modernization of industry and agriculture, and the diversification of exports. The groundwork for a new programme of action had been laid, but further work would be required to achieve a balanced document directed at specific action.

90. Within the broad framework furnished by the Declaration adopted by the General Assembly at its eighteenth special session (resolution S-18/3), the draft programme of action should focus on the specific needs of the least developed countries. Unnecessary politicization of the mechanisms for assistance should be avoided and measures for improving the effectiveness of multilateral assistance should be considered, taking into account the long-term aims of development and the social aspect. Attention should be paid to the possibility of using resources released from military expenditure for the development of the economies of the least developed countries.

91. Environmental protection measures for the least developed countries should form part of the overall programme on the basis of joint action by them and their development partners.

92. The implementation of the economic reforms in the Soviet Union, and the country's integration into the world economy, provided fresh opportunities for increasing the effectiveness of its co-operation with the least developed countries. Steps were being taken to provide them with economic assistance above the ODA target level. New opportunities were being created for direct relations between the least developed countries and enterprises in his country, including smaller and medium-sized enterprises. There would also be opportunities for scientific and technical co-operation and for the development of offset trade and joint enterprises.

93. The needs of the least developed countries were being taken into account in the formulation of new tariffs

which would come into effect in 1991 and which would provide for preferential treatment for commodities from those countries.

94. His country would work actively for the success of the Conference and the Conference's recommendations would be reflected in his country's co-operation with the least developed countries.

95. Ms. WILLBERG (New Zealand) welcomed UNCTAD's pioneering efforts to provide special measures of assistance for the least developed countries. Implementation of the Substantial New Programme of Action unfortunately had not entirely come up to expectations. The international economic environment had further weakened the export earnings and debt servicing capacities of the least developed countries and their socio-economic conditions had generally deteriorated during the 1980s. Progress in the 1990s would depend on a strengthened development partnership in which the least developed countries followed effective development strategies and policies conducive to broad-based growth and in which their development partners provided adequate and appropriate support. The Conference should create a framework for the future out of the lessons of the past.

96. Her delegation appreciated the preparatory work carried out by the Intergovernmental Group, which had been able to draw on a number of preparatory discussions, expert and round table meetings held over the past two years. Referring to the recent UNCTAD meeting of governmental experts of island developing countries and donor countries and organizations, she observed that many of the 11 least developed countries in the ESCAP region suffered the added disadvantage of being either land-locked or small, isolated island States. The countries concerned often found attendance at United Nations meetings beyond their personnel resources. The fact that several had been represented at recent meetings testified to the importance they attached to international recognition of their special circumstances.

97. The meeting of the Intergovernmental Group had been able to produce a forward-looking consensus report incorporating a strategic framework for the future which set aside ideological debate and was fully relevant to the consideration of issues of the least developed countries. The report set forth a number of strategies for dealing with their vulnerabilities, including enhanced economic management, improved planning and co-ordination mechanisms, human resources development, institutional and other infrastructural assistance in the trade and export sector, environmental protection, mitigation of the effects of natural disasters, closer regional co-operation and a responsive approach by the international community. It also made recommendations for action by UNCTAD in co-operation with the appropriate international agencies and regional institutions.

98. The Conference would be responsible for considering those issues further as it went through the outstanding elements in the draft text formulated by the Preparatory Committee. The issues were complex, but the objective of preventing further deterioration in the socio-economic situation of the least developed countries and putting them on the path to sustained growth and development was compelling. Her delegation was confident that the international community was committed to that goal.

99. Mr. LOZANO (Mexico) said that during the 1980s the situation in the least developed countries had continued to worsen. Despite the world community's promises the objectives of the Substantial New Programme of Action had not been attained because of inadequate international support and the worsening world economic climate.

100. Although the least developed countries were primarily responsible for their socio-economic progress and must strive to improve their infrastructure so as to make the fullest use of their natural resources, the success of their efforts depended on favourable international conditions. The Conference provided an opportunity that should be seized for new initiatives towards a new programme of action to assist the least developed countries in dealing with their most urgent needs.

101. Mr. GOUDIMA (Ukrainian Soviet Socialist Republic) said that the social and economic conditions of the least developed countries, far from improving, had worsened in the 1980s. Annual GDP growth in the least developed countries had averaged 2.2 per cent and annual output had risen barely 2 per cent—virtually half that for the 1970s—and their share in world exports had been a mere 0.3 per cent, compared with 1.4 per cent in 1960. The failure to achieve the objectives of the Substantial New Programme of Action had been due to structural factors, backward technology, undeveloped markets, inadequacies of the physical and social infrastructure and external factors such as falling commodity prices, which had led to an average annual loss in export earnings of $370 million, increased debt servicing, inadequate new resource flows and the relative ineffectiveness of the system of trade preferences for least developed countries set up in 13 developed countries. The same factors were likely to hamper efforts to give effect to the programme of action for the 1990s unless urgent steps were taken to overcome the difficulties.

102. The Ukrainian SSR fully endorsed the Dhaka Declaration concerning the contents of a future programme of action such as the formation of macro-economic policies, suitable follow-up action and market access. The strategy must provide for the development of human resources, the modernization of the industrial base of the least developed countries, and the development of agriculture with a view to food self-sufficiency. With due respect to the principle that each country should freely choose its social and economic system, the least developed countries should be given international support in the form of expanded development assistance through special targeted programmes, measures to deal with the debt crisis, the provision of improved market access, access to technology and the stabilization of commodity prices.

103. The Ukrainian SSR would continue to collaborate with the developing countries, including the least developed countries, in overcoming their problems and developing their national economies, through such measures as the training of specialists. The changes the country had undergone provided opportunities for broadening and deepening such collaboration.

104. Ms. KORHONEN (Finland), speaking on behalf of the Nordic countries, said that the latter attached particular importance to the Second Conference. The preparatory negotiations had taken place in a constructive spirit, helped by the excellent documentation provided, and the Intergovernmental Group had been broadly successful in reaching agreement on a draft final text. Although a number of issues remained to be settled, the Conference would doubtless be able to agree on a programme of action containing realistic, binding commitments. The action called for must be based on the concept of partnership.

105. The challenge of the 1990s was to halt and reverse the disappointing trend of the past decade in the least developed countries, and prevent the latter's further marginalization. The least developed countries themselves were responsible for developing sound policies and strategies as well as the requisite structural reforms, and the international community must stand ready to support them. As experience had shown, adjustment programmes had to be viewed in a longer time-frame and continuously improved. The poorest and most vulnerable groups had to be protected against short-term adverse effects.

106. Human resources development was a core issue in the new programme. Population growth rates in many of the least developed countries seriously undermined their development prospects. Efficient population policies, with extended family planning services, would be essential. One of the most effective steps was to improve educational and earning opportunities for women, whose role in development must be fully recognized in the new programme.

107. Environmental degradation, population growth rates and poverty were interlinked. The new programme should reflect the need to integrate environmental considerations into national development policies and additional financing, technology transfers and training and research facilities should be made available.

108. The Nordic countries had welcomed the measures introduced in the Bretton Woods institutions and in the Paris Club to relieve the debt problems of low-income countries. The measures needed, however, to be strengthened. In particular, the official debt burdens, including multilateral debt, should receive attention within existing creditor and institutional frameworks. The least developed countries needed to diversify their exports so as to avoid undue independence on a few commodities. New opportunities should arise, in that respect, when the second account of the Common Fund for Commodities was operational. The least developed countries should be given favourable treatment in the current multilateral trade negotiations and, in general, by a strengthened open multilateral trading system. The least developed countries themselves should use the trade preferences more efficiently, and the possibility of developing the service sector should be explored.

109. Despite the need for ODA by the least developed countries, the 0.15 per cent target agreed in the Substantial New Programme of Action was far from being attained. The Nordic countries would like to see a firm target in the new programme of action. It was also important to secure fair burden-sharing among donors. Assistance to the least developed countries should be in the form of grants, so as not to increase their debt burden, and the new political developments in Europe must not lead to a diversion of ODA flows.

110. It was important that the follow-up to the Second Conference should be pragmatic and an integral part of the programme within existing institutional arrangements, at the national, regional and global levels, but without adding to the administrative burden of the countries concerned. UNCTAD might take the leading role at the global level. The programme could be suitably assessed through a mid-term review.

Mr. Burke (Ireland), Vice-President, took the Chair.

111. Ms. KILLINGSWORTH (Food and Agriculture Organization of the United Nations) said that agriculture accounted for nearly a half of total GNP of the least developed countries; equitable and sustained growth in the agricultural sector was vital to poverty alleviation and nutritional improvements. Since food imports were significant in terms both of financial cost and contribution to total food supply, the least developed countries continued to be a major focus of FAO's activities, accounting for over 50 per cent of the organization's field activities. FAO accordingly welcomed the Intergovernmental Group's recognition of the food and agricultural sector as a priority and had prepared a substantive document on the subject.

112. In most least developed countries, agricultural production had not kept pace with population growth. That circumstance, added to external-account constraints, had led to growing undernourishment.

113. The main conclusion of FAO was that a future programme for the least developed countries should not repeat a programme predicated primarily on resource transfers which might not be forthcoming, but should be more flexible, based on debt relief, stabilized export earnings and guaranteed external assistance levels. Within such a framework, comprehensive development strategies should be prepared, identifying key constraints and suitably modifying structural adjustment programmes so as to take account of the social impact and integrate agricultural and environmental considerations and objectives. Policy reforms must be accompanied by technical change. In that regard, the main options were land and irrigation development, and increased productivity through existing and newly developed technology backed by improved extension, input and credit mechanisms as well as pricing and other incentives. The re-

forms must be environment-friendly. That was particularly true in regard to the productivity of marginal areas, where research would require long-term donor assistance.

114. One of the main tasks of the least developed countries during the 1990s was to strengthen national technical capacity to address the twin issues of environment and development. Human resources development would also be crucial. Rural development strategies required the active involvement of rural people.

115. The least developed countries would face difficult decisions and it was up to donors, technical agencies and other developing countries to assist them. FAO stood ready to contribute in developing food, agriculture, forestry and fisheries, in protecting the natural resources upon which such development depended and in formulating and carrying out policies and programmes for that crucial sector of their economies.

116. Mr. SILALAHI (Indonesia) welcomed the progress made in the preparations for the Conference. It was regrettable that most of the targets of the Substantial New Programme of Action had not been reached. The reasons were varied and complex, including domestic policy shortcomings, inadequate structural adjustment, an adverse international economic climate and insufficient international support. The least developed countries had experienced, on average, a GDP growth rate lower than that recorded in the 1970s. His delegation therefore endorsed their urgent call for full and speedy implementation of the programme of action. To that end co-operation between the least developed countries and their development partners must be strengthened. The least developed countries must mobilize their national resources fully and efficiently and their partners should provide adequate assistance on suitable terms.

117. Indonesia had been extending technical assistance, within its modest capacity, under the programme of technical co-operation among developing countries, mostly to the least developed countries, whose acute problems continued to be of collective concern. His delegation hoped the Conference would adopt an effective programme of action for the 1990s, which seriously tackled the pressing needs of the least developed countries, particularly with regard to additional resources and external debt. The programme must be effectively followed up and monitored, at national and global levels, with the active participation of the least developed countries, donor Governments, multilateral agencies and United Nations bodies.

118. Mr. GATERA (Rwanda) said that his delegation welcomed the international community's recognition of the special needs and priorities of the least developed countries and, in particular, UNDP Governing Council decision 90/34 by which it decided to devote 55 per cent of UNDP resources to them during the next programming cycle. In that regard, his delegation greatly appreciated the action by France, Switzerland and other countries in calling for the allocation of 60 per cent of UNDP resources in favour of the least developed countries, a level which it hoped would be achieved in the future.

119. In the light of the preparations for the Conference, his delegation was optimistic about its outcome. Despite the objective of the Substantial New Programme of Action of doubling the national income of the least developed countries by 1990, they were still the poorest and weakest partners in the international community.

120. In Africa, per capita income had fallen constantly throughout the 1980s and GNP had grown by only 1.9 per cent, compared to the target of 7.2 per cent. Rwanda had had to grapple with such internal factors as loss of soil fertility and climatic hazards and also with external problems such as worsening terms of trade, due to falling tea and coffee prices and dwindling external aid flows.

121. His delegation welcomed the broad consensus, during the preparations for the Conference, on national policies and international support measures. It was disquieted, however, by the disagreement which persisted over a number of vital issues.

122. The reassuring statements in the current session of the Council gave grounds for hope that the Conference would take an important step towards economic growth and development in the least developed countries. His delegation hoped the outcome would be a genuine compact of solidarity and co-operation between the least developed countries and their partners in the world community.

123. Mr. PEJIC (Yugoslavia) said that Yugoslavia regarded the creation of conditions to reverse the increasing social and economic regression of the least developed countries as one of the top priorities for multilateral economic action. His Government was developing economic co-operation with them through special tariff and non-tariff preferentials and GSP measures, and had established a special fund to provide grants and soft loans, more than half of which were channelled to the least developed countries. In the 1980s the international environment had been highly unfavourable to the developing countries, especially the least developed countries. The objectives of the Substantial New Programme of Action had not been fulfilled. The number of least developed countries had increased by one third, their per capita GNP had fallen, the ratio of investment to GDP had declined, agricultural and industrial output had been lower than expected, and their share in world exports had contracted. Structural adjustment programmes had had very limited success largely because of the unfavourable economic environment, but domestic shortcomings in respect of priorities and implementation had been equally important factors.

124. The Conference would be taking place at a time of optimism about international political developments, which contrasted sharply with the economic and social situation of the least developed countries. If the unfavourable economic trends in the developing countries were not redressed, political détente was unlikely to endure and new crises would arise threatening global pros-

perity and stability. The Conference must seek to establish a framework for balanced and sustained development in all parts of the world. The programme of action must contain comprehensive measures aimed at achieving sustainable growth. The alleviation of poverty should be given the highest priority in short-term development. In the long-term perspective, it would be necessary to promote economic structural transformation with sector policies directed to expanding the productive base through diversification and by strengthening the foreign exchange earning capacity. That process would call for the development of human resources by improving education and training, raising health standards, pursuing effective population policies and integrating women in development. While the least developed countries undoubtedly bore the primary responsibility for their own development, they would continue to depend on a supportive economic environment and the provision of foreign assistance. The quality of assistance must be enhanced by increased concessional aid through the agencies, the provision of bilateral ODA to the least developed countries in the form of grants and loans on highly concessional terms, and the maximum use of untied ODA loans and grants. A consensus must be reached on a more fundamental approach to the debt problem and Trade and Development Board resolution 165 (S-IX) should be comprehensively implemented. More extensive use should be made of the measures adopted at the Toronto Economic Summit. Workable solutions must be found for conversion of multilateral loans on conditions similar to ODA terms and commercial debt should be reduced through various conversion schemes.

125. Miss NCHAPI (Lesotho) expressed her delegation's sympathy with the Government and people of the Islamic Republic of Iran for the tragedy that had recently befallen them.

126. The past decade had been a period of set-backs for the least developed countries as a group despite the commitments undertaken by their development partners in the Substantial New Programme of Action. Within the world economy, they had been further marginalized, their share in world exports had declined dramatically and their terms of trade had deteriorated. External support had failed to materialize; the 0.15 per cent ODA target had not been reached and external debt and debt servicing still hampered their efforts to achieve growth.

127. Their unique structural problems, which clearly called for special international support, had been extensively discussed at the meetings of the Intergovernmental Group. In that context her delegation was grateful to UNCTAD and UNDP for making it possible for the least developed countries to participate fully in the meetings, and to the Japanese Government for its assistance in connection with the Dhaka meeting. The least developed countries had recognized their primary responsibility for developing their economies but had emphasized that their efforts needed to be complemented by external support from their development partners. Most of them were in fact undertaking far-reaching measures to improve their economies, including structural adjustment programmes, supported by IMF and the World Bank. Lesotho had reviewed her disaster preparedness programme in 1988, and incorporated a rural development plan, a food aid strategy, a national environmental plan and a structural adjustment programme in its fourth five-year development plan. A major objective of the fourth plan was to strengthen manpower planning and develop and utilize human resources more efficiently.

128. Her delegation welcomed the success of the Intergovernmental Group in preparing a draft programme of action, but was concerned to note that several elements of crucial importance to the least developed countries remained bracketed and left for settlement at the Conference. They included the flow of financial assistance, action to resolve the debt problem, trade and commodities, particularly market access and compensatory financing, and a number of extremely important elements in the area of follow-up and monitoring. They were the elements which had impeded progress in economic performance over the past decade and had brought the least developed countries into their continuing vulnerable situation.

129. If the programme of action for the 1990s was to succeed, it was essential that donors should commit themselves to substantially higher ODA and significant debt relief. Her delegation expressed gratitude to the donor countries that had already reached the ODA target and urged those that had not yet done so to take the necessary steps. The allegedly limited capacity of the least developed countries to absorb aid should not be an excuse for failing to increase ODA flows. Care must also be taken to ensure that recent political developments in various parts of the world should not divert concessional resources from the developing countries, in particular the least developed. The adoption of a constructive programme of action for the 1990s would reflect a committed partnership between the least developed countries and their development partners and contribute to improving living standards through accelerated growth and development. Her delegation looked forward to a successful outcome of the Second Conference, which must not be marred by poor implementation as had occurred in the follow-up of the First Conference.

130. Mr. ARMERDING (United Nations Educational, Scientific and Cultural Organization) said that, following arrangements with the host country, UNESCO would be placing its Paris premises at the disposal of the Second Conference, as it had done nine years previously for the First Conference. The Director-General intended to submit specific proposals to the Conference for strengthening UNESCO's co-operation with the least developed countries in close collaboration with other organizations of the United Nations system. He had received the mandate from the last session of the Executive Board to ensure UNESCO's active participation in the Conference and to continue to reinforce its activities in favour of the least developed countries and ensure that they were granted adequate priority in the preparation of UNESCO's forthcoming programme and budget. In

compliance with General Assembly resolution 44/220, the Director-General had submitted a report to the Secretary-General of UNCTAD on the situation of the least developed countries and their problems in implementing development policies in the fields of education, science and technology, the social sciences, culture and communications. The report described measures taken by UNESCO to implement the Substantial New Programme of Action and give a broad outline of future activities. The Director-General was deeply concerned by the fact that the situation in the least developed countries, particularly as regards literacy and primary education, was not improving but, in some cases, deteriorating and considered that there was an urgent need for the world community to contribute more significantly to the recovery of those countries. Success could not be expected without the mobilization of external assistance on a large scale. In that connection the follow-up of the World Conference on Education for All, held from 5 to 9 March 1990 in Thailand, by UNESCO, the World Bank, UNICEF and UNDP would certainly be one of the avenues explored. Another would be UNESCO's active participation in the preparation of the UNDP fifth cycle country programmes.

131. With regard to science and technology and their application to socio-economic development, there was scarcely any other field in which the gap between the least developed countries and other countries was wider. Many of the countries concerned were potentially rich because of their natural resources but were unable to exploit them for lack of financial resources and technological and managerial expertise. A top priority was the development of a critical mass of trained science and technology personnel, and a number of the activities in the medium-term plan of UNESCO for 1990-1995 aimed at co-operating with the least developed countries in that task. The least developed countries would also benefit from other activities within UNESCO's fields of competence, such as the social sciences, cultural development programmes, and communications and information networks, which were essential in all aspects of economic and social life.

132. Ms. de BOCCARD (International Council of Women), also speaking on behalf of the All-India Women's Conference, Associated Country Women of the World, the International Alliance of Women, the International Association of Democratic Lawyers, the International Council of Jewish Women, the International Federation of Women Lawyers, the International Juridical Organization, the International Movement for Fraternal Union among Races and Peoples, the Medical Women's International Association, the World Association of Girl Guides and Girl Scouts, the World Federation of Democratic Youth, the World Federation of Methodist Women and the World Union of Catholic Women's Organizations, said that they welcomed the decision to hold a Second United Nations Conference on the Least Developed Countries, at which a number of them would be represented by observers. The Substantial New Programme of Action had emphasized the role of women in rural development and the importance of ensuring their access to productive resources and to markets and services. For rural women in the least developed countries to be able to take advantage of the desired improvements it was essential that national legislations should recognize the equality of rights between men and women, that development projects involving women and their participation should be extended and given greater prominence, that national non-governmental organizations should participate in developing public awareness and sympathy at local and national levels, and that literacy campaigns in training opportunities should be equally accessible to both sexes. The present situation of the least developed countries called for urgent action, an indispensable part of which should be the strengthening of the participation of women, thereby assuring the future of coming generations. The effective application of the Convention on the Rights of the Child, adopted by the General Assembly in its resolution 44/25, would only be possible if the minimal conditions for development set out in the Substantial New Programme of Action were fulfilled. The organizations she represented urged that the situation of women in the least developed countries should be the subject of prompt and practical measures in the follow-up to the Second Conference.

133. Mr. ALIM AHMED (Observer for Sudan) said that as a least developed country his country welcomed the decision to hold the Second Conference, which would provide an opportunity to discuss United Nations and other organizations' efforts to grapple with their complex social and economic problems.

134. The Sudanese Government had mobilized the support of all its citizens for its measures to reduce public expenditure, to remove constraints on the business activities of both nationals and foreigners, to attract investment and to decontrol prices, while fully aware of the sacrifices entailed. In spite of debt and natural disasters, Sudan was still actively striving to overcome its economic problems. It had taken important decisions regarding the production of essential commodities, such as sugar; the participation of all citizens, including women, in economic life; and the involvement of non-governmental organizations in such activities. The war in southern Sudan had brought other difficulties and had made particularly heavy demands on the Government, which was endeavouring to provide for the welfare of its citizens in the south and of those who had come as refugees to the north, while continuing its efforts to achieve peace.

135. That was the background to his Government's hopes for a successful outcome of the Conference. It was imperative that an adequate flow of resources to the least developed countries should be ensured for the 1990s, so that there would be no repetition of the disappointments of the past decade. The GNP target must be raised to 0.2 per cent by the year 2000. The debts of the least developed countries, both official and commercial, should be cancelled, market access should be improved and com-

pensatory financing should be made available. The developed countries should co-operate with the least developed countries in developing adequate follow-up machinery.

136. Mr. TUN (Observer for Myanmar) said that the least developed countries were carrying out reforms and adjusting their economies to bring them into line with the international economic and business environment. For its part, Myanmar was continuing its policies in that direction, which had so far yielded encouraging results. While the success of their development programmes depended primarily on their own efforts, the least developed countries would continue to depend on a supportive external economic environment and assistance from the international community. It was imperative that the Conference should come to grips with the vital issues of adequate ODA, the external debt problem and trade issues, which had been the subject of much discussion during the preparatory process.

137. The PRESIDENT announced that the Council had concluded its general discussion of the question of the Second United Nations Conference on the Least Developed Countries, under agenda item 7 (*a*).

The meeting rose at 6.55 p.m.

28th meeting

Friday, 13 July 1990, at 10.10 a.m.

President: Mr. Chinmaya Rajaninath GHAREKHAN (India)

E/1990/SR.28

AGENDA ITEM 5

International co-operation in the elimination of the consequences of the accident at the Chernobyl nuclear power plant

1. The PRESIDENT announced that the Bahamas, Brazil, Burkina Faso, Ghana, Jamaica, Romania, Spain, Switzerland, Thailand and Trinidad and Tobago had joined the sponsors of draft resolution E/1990/L.21/Rev.1.

2. Mr. HINTEREGGER (Executive Secretary, Economic Commission for Europe) recalled that, by their letter of 26 April 1990 (E/1990/64), the Governments of the Union of Soviet Socialist Republics, the Byelorussian SSR and the Ukrainian SSR had requested the Secretary-General to include an item in the Council's agenda on international co-operation in the elimination of the consequences of the accident at the Chernobyl nuclear power plant. In a draft resolution accompanying that letter, the Secretary-General had been asked to prepare, with the assistance of ACC, proposals for the implementation of a programme of international co-operation and to submit a report to the General Assembly at its forty-fifth session. The Secretary-General had further been requested to dispatch an inter-agency mission to the affected areas in order to evaluate the priority needs and to include the results of the mission in his report.

3. By its decision 1990/5, ACC had agreed that, if the Council adopted the above-mentioned draft resolution, ECE should assist the Secretary-General in co-ordinating the inter-agency mission in question. The Director-General for Development and International Economic Co-operation had therefore requested ECE to assist in the preparation of the Secretary-General's report. ECE had invited all the organizations listed in paragraph 3 of that report (E/1990/97), together with the League of Red Cross and Red Crescent Societies, to provide a brief description of their current and planned activities on the subject. All but one of the organizations had replied.

4. In addition to the information provided by the agencies and programmes contacted, the Secretary-General's report included a description of the work of the Inter-Agency Committee for the Response to Nuclear Accidents and of the United Nations Scientific Committee on the Effects of Atomic Radiation.

5. Mr. ESSAAFI (United Nations Disaster Relief Co-ordinator) said that, in order to respond to the requests for assistance it had received in 1990 from the Governments of the Byelorussian SSR and the Ukrainian SSR, UNDRO had contacted the United Nations agencies concerned with a view to developing a concerted action programme. On the eve of the fourth anniversary of the accident at the Chernobyl nuclear power plant, he had called on the international community to continue and to strengthen its efforts to help the Soviet authorities mitigate the consequences of the disaster. Despite the large-scale decontamination activities undertaken, the situation in the areas affected by radiation remained serious.

6. The territory of the Byelorussian SSR, with a population of 2.2 million, represented 70 per cent of all the affected areas in the European part of the Soviet Union.

One fifth of its agricultural land had become unusable and about 1 million hectares of forest had been affected by radiation. In the Ukrainian SSR, where 5 million hectares had been contaminated, the danger area covered 1,614 inhabited localities with a population of over 1.5 million.

7. The needs were enormous. The millions of people, and particularly children, living in the contaminated areas had to be safeguarded against the radiological, medical, socio-economic, environmental and psychological effects of the disaster. Hospitals in the disaster-stricken areas needed equipment and supplies in order to cope with the increase in general somatic morbidity. Regular monitoring of health conditions in the disaster-stricken areas, as well as further decontamination campaigns and evacuation, had to be undertaken.

8. The Soviet authorities urgently needed foreign aid to implement their broad programme of assistance to the affected population. In particular, they needed medical equipment, drugs, food product analysis equipment and advanced technology to mitigate the effects of radiation.

9. UNDRO was ready to collaborate actively in the inter-agency relief efforts by providing the necessary technical expertise for assessing requirements and ensuring the dissemination of information to the international community. In line with its mandate, it wished to collaborate with the competent United Nations agencies in the preparation of a global risk mitigation strategy for one or more of the Chernobyl-type nuclear plants in operation. The strategy should include appropriate measures to protect the population at risk not only in the immediate vicinity of the plants but also in the surrounding areas.

10. The General Assembly, by its resolution 42/169, had designated the 1990s an International Decade for Natural Disaster Reduction. No global effort had yet been made to combat technological and industrial disasters. However, the full consequences of the Chernobyl accident for humanity and the environment were as yet unknown. Such an accident knew no boundaries and it was to be hoped that action taken in international solidarity would be commensurate with the magnitude of the disaster.

11. Mr. MASYK (Ukrainian Soviet Socialist Republic) said that the accident at the Chernobyl nuclear power plant four years earlier had divided the lives of millions of human beings into two periods: pre-disaster and post-disaster. Because of its long-term consequences, the accident was the greatest technological disaster of the twentieth century. A solution must be found without delay to the problems of all kinds to which it had given rise—not only on behalf of the Ukrainian, Byelorussian and the Russian Soviet Federative Socialist Republic but also in the interest of all the inhabitants of the planet.

12. In response to the appeal made by the Council of Ministers of the Ukrainian SSR to Governments, foreign public opinion and international organizations, the Ukrainian SSR had received many offers of assistance, particularly for children. The United States of America and Canada had established funds for the children of Chernobyl which had made it possible to send the Ukrainian SSR more than 200 tonnes of medicines, equipment and baby food. The European Parliament had adopted a resolution for the granting of emergency assistance. UNESCO, WHO, UNEP, ECE and other United Nations bodies, as well as the League of Red Cross Societies, had also offered their assistance.

13. The environmental consequences of the Chernobyl accident were catastrophic. The Ukrainian SSR was encountering many problems in ensuring the country's economic survival, while the contamination threatening the Dnieper, the main source of drinking water supply for nearly 35 million people, was a further cause for concern.

14. The basic problem of Chernobyl was how to cope with the effects of the disaster on the health of the people and to determine the likely genetic consequences. It was now apparent that, despite the measures taken over the past four years, the severity of the problem had in no way diminished.

15. It had been impossible in the early stages to make a proper evaluation of the scale of the disaster and its consequences at all levels. Since then, the Ukrainian Government had adopted a number of measures designed to provide a normal daily life for the population of the disaster-stricken areas. The Supreme Soviet of the USSR had decided to allocate 3.6 billion roubles for 1990-1992 to the Ukrainian SSR to provide for the rehousing of families in safe areas, to improve medical services, to supply the population with "pure" foodstuffs and to decontaminate the territory.

16. In co-operation with UNEP, WHO and IAEA, the Ukrainian Government hoped to implement as speedily as possible the technical co-operation project for the study of the environmental and medical aspects of radiation. It also intended to participate in the establishment of an international scientific research centre on the environmental problems of nuclear energy.

17. It had been said that the harmful consequences of exposure to low doses of radioactivity had not been proven and that there was no need for anxiety. He did not share that view. The Bergen Ministerial Declaration[1] had emphasized the need for strengthening international co-operation to combat the consequences of industrial disasters such as the one at Chernobyl. He drew particular attention to paragraph 7 of that Declaration, which stated that, where there were threats of serious or irreversible damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation.

18. His Government earnestly hoped to enjoy the co-operation of all States and international organizations such as UNDP, FAO, WHO, ILO, UNIDO and the United Nations Centre for Human Settlements (Habitat). The effectiveness of international co-operation, and par-

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[1] See A/CONF.151/PC/10, annex I.

ticularly of multilateral co-operation, would largely depend on co-ordination of the activities of the international organizations in that area. The special programme of international co-operation prepared by ACC would undoubtedly meet that need.

19. Mr. Masyk introduced, on behalf of the sponsors, draft resolution E/1990/L.21/Rev.1, and said that the original sponsors—the Soviet Union, the Byelorussian SSR and the Ukrainian SSR—had endeavoured above all to maintain a spirit of consensus in the text. That had been difficult in view of the unprecedented nature and scale of the problems arising from the Chernobyl disaster. The sponsors had held intensive consultations in which account had been taken of the proposals and positions of many Council members and which had made it possible to arrive at a compromise text. The essential point was that the draft resolution showed the political will of the Member States to unite in taking all the necessary measures to provide relief for all the victims of the disaster.

20. His Government would do everything possible to ensure that international co-operation in eliminating the consequences of the Chernobyl disaster was fruitful and it undertook, at the national level, to create the necessary conditions to enable the international experts to carry out their work effectively.

21. Mr. PETRONE (Italy), speaking on behalf of the European Community and its member States, said that the Community fully supported draft resolution E/1990/L.21/Rev.1. The Twelve were well aware of the extent of the destruction caused by the Chernobyl disaster over more than 100,000 km^2 of territory with a population of over three million. They had already expressed their solidarity to the Governments concerned and indicated their willingness to help not only with emergency relief but also in dealing with the long-term effects of the disaster, particularly on health. The possibility of co-operation for enhancing the safety of nuclear plants had been discussed at a recent meeting held in Dublin between the EEC Ministers of the Environment and their counterparts in the Eastern European countries.

22. The Governments of the Soviet Union, the Byelorussian SSR and the Ukrainian SSR had made a major recovery effort, but there were still large groups of persons to be evacuated and victims to be treated. In addition, some areas that had been thought to be cleared of radioactivity had been recontaminated as a result of natural phenomena. Furthermore, as the Supreme Soviet of the USSR had itself recognized, the affected area was in a difficult socio-political situation as a result of delays that had occurred in taking the necessary protective measures.

23. The General Assembly had designated the 1990s an International Decade for Natural Disaster Reduction (resolution 42/169) and that initiative might usefully stimulate further international co-operation to prevent technological and industrial disasters such as the one at Chernobyl, which unquestionably called for concerted international action. The Twelve would therefore give favourable consideration to the proposals made by the Soviet Union, the Byelorussian SSR and the Ukrainian SSR. They considered the proposal made by IAEA in May 1990 for the strengthening of international co-operation for the assessment of the medical and social effects of the disaster to be interesting. They were also aware that the Soviet Union and WHO had already signed a memorandum of understanding and that the Soviet Union and the Byelorussian SSR had also sought assistance from ILO and UNEP.

24. Mr. KICHKAJLO (Observer for the Byelorussian Soviet Socialist Republic) said that the results of the Council's discussion would, to a considerable degree, determine the fate of 10 million Byelorussians, one out of every five of whom was threatened by the unpredictable consequences of the world's most serious nuclear accident, which had spilled more than 70 per cent of Chernobyl's radionuclides over five of the six regions of the Byelorussian SSR. That was why the Byelorussian parliament had just declared the entire territory of the Republic a disaster area. However, the transboundary contamination of neighbouring countries and of certain other European countries gave the tragedy an international dimension. ACC had therefore rightly decided to organize international co-operation to overcome the consequences of the accident, since that was in the interest of the world community as a whole. Many countries had confirmed that interest at the meeting held in Bergen from 8 to 16 May 1990 on environmental questions in Europe.

25. The scale of the consequences of the disaster, which would continue well beyond the twentieth century, could not be overemphasized. It was now obvious that it would be impossible to eliminate those consequences entirely. It was therefore all the more necessary to secure the participation not only of IAEA but of the entire United Nations system, with its technical bodies and specialized agencies, in studying the effects of the disaster in its radiological, medical, biological, ecological and, of course, human aspects. His country therefore attached great importance to the results of the international project which had been launched in February 1990 under IAEA auspices, with the participation of other international organizations, and which was expected to be completed by the end of 1990.

26. His Government was taking steps to facilitate the research work of the inter-agency mission in which about 100 independent international experts were involved, and which was expected not only to assess the extent of the problems in the affected areas and evaluate the effectiveness of the protective measures taken at the national level so far but also to remove the conceptual obstacles that were still impeding the implementation of relief and assistance programmes.

27. The problems created by the disaster had deeply undermined the Byelorussian economic development potential. The total economic damage, which was far greater than originally thought, amounted to 100 billion roubles. The greatest damage, however, resulted from

the fact that 18 per cent of farm land and 20 per cent of forests were situated in the contaminated areas and it had been necessary to withdraw 300,000 hectares of arable land from agricultural production.

28. Since over 72 per cent of the total dose of exposure in the affected areas was due to the consumption of contaminated foodstuffs which were still being produced by the population of the Chernobyl zone, a considerable share of the aid programme would be devoted to comprehensive decontamination and other costly measures, including relocation of the affected population, medical treatment and the supply of "pure" foodstuffs. It was obvious that the Byelorussian SSR had insufficient resources of its own for the permanent, or even temporary, resettlement of the 2.2 million people from the vast area of contaminated territory. For the time being, the programme of compulsory resettlement for medical and biological reasons provided for the relocation of 120,000 people. In future, however, entire settlements would have to be relocated. His Government had agreed to a proposal by Habitat for the dispatch of a special mission to the Republic in August 1990 to prepare a two-year technical project for the construction of new settlements and delivery of equipment. Assistance from UNIDO would help the Byelorussian SSR to establish or expand small-scale and medium-scale industries that would offer employment to the relocated population in the uncontaminated areas. UNIDO would also help in the rehabilitation of some enterprises in the evacuated areas. The Byelorussian authorities also intended to discuss with the UNIDO services the prospects of implementing technical projects for the supply of small-capacity equipment for the production and packaging of baby foods and disposable syringes for children's health centres.

29. Following the submission by the original sponsors of draft resolution E/1990/L.21/Rev.1 of additional information on the socio-economic consequences of the disaster, his country had received a number of other aid proposals. The Byelorussian authorities wished to thank the European Parliament for its adoption of a resolution authorizing the dispatch of medical and food relief by the European Community and also to thank national and intergovernmental organizations, companies, associations, individuals and the secretariats of United Nations agencies which had provided collective or individual support in various forms. The relief had been dispatched without delay to the affected areas and had all been delivered.

30. However, no economic or charitable assistance could fully meet his country's requirements. The Byelorussian SSR needed to find sources of convertible currency for the purchase of medical and biological equipment, medicines, radiometric and dosimetric devices, "pure" foodstuffs, vitamins, etc., and for that purpose it would seek to increase its exports in the hope that its future trading partners would take its proposals into consideration.

31. His country also wished to thank the 60 or so members of the Council which had sponsored draft resolution E/1990/L.21/Rev.1. The representative of Italy had just announced that the 12 member States of the European Community supported the draft resolution. He viewed that support as a sign of strengthened international solidarity.

32. Mr. MARKS (United States of America) said that his country fully endorsed draft resolution E/1990/L.21/Rev.1, since it was important that the United Nations system should participate in efforts to mitigate the consequences of the Chernobyl disaster, to study its effects and to disseminate the results of such research. It was also important that the United Nations system should make the most effective possible use of the resources it could provide for those activities and, consequently, ensure the best possible co-ordination of such activities and the prevention of any duplication of efforts.

33. Generally speaking, the agencies had made a good start in that direction; the establishment, under IAEA leadership, of the Inter-Agency Committee for the Response to Nuclear Accidents had been a wise response to the need for co-ordination. Before undertaking new activities, all the agencies should present their proposals for such activities to the Inter-Agency committee for its consideration. His Government committed itself to urging the governing bodies of the agencies of which it was a member to ensure such co-ordination.

34. Mr. NAPALKOV (World Health Organization) recalled that WHO had signed a Memorandum of Understanding with the Soviet Ministry of Health for the establishment of a long-term international programme to mitigate the effects of the accident on the health of the persons exposed, mainly in the Ukrainian SSR, the Byelorussian SSR and the Russian Soviet Federative Socialist Republic, with emphasis on the clinical aspects, priority being given to medical investigation, the treatment of the exposed persons and the prevention of certain diseases. The programme would also be concerned with the indirect medical problems arising from a disaster of that magnitude, such as mental and psychological disturbances, nutritional problems and rehabilitation, and would provide for long-term epidemiological studies and other research. It was to be undertaken with the help of scientists from the three Republics concerned. Other countries would also be able to avail themselves of the new body of clinical and scientific knowledge on radiation effects that would result from the programme. However, WHO would need the assistance of other specialized agencies, particularly IAEA, in their respective fields of competence. For a number of years, WHO and other agencies had been aware of the need for collaboration in radiation protection. WHO therefore had an active part in the work of the Inter-Agency Committee for the Response to Nuclear Accidents, which had been established following the Chernobyl accident. That Committee, which included representatives from various international agencies, had been engaged in the planning of co-ordinated action to be taken in the event of a future accident and in considering the question of follow-up activities to the Chernobyl accident. WHO would continue to play an active role in the Committee's work.

35. In addition, WHO was collaborating with IAEA and other agencies in assessing the accident. It had dispatched a medical expert to participate in an initial assessment mission in March 1990 and was preparing to provide medical expertise in epidemiology, endocrinology, haematology and nuclear medicine. WHO had also been represented in the planning meetings for the establishment of a Chernobyl centre, whose activities would be primarily concerned with the technological solution of contamination problems, but also with some aspects touching upon health. Lastly, the Directors-General of IAEA and WHO had agreed to hold regular co-ordinating meetings between the two agencies on all aspects of radiation protection.

36. Mr. KOIKE (Japan) said that the accident at the Chernobyl nuclear power plant—a man-made disaster that was more complex and serious than a natural disaster—was a source of special concern to Japan. As the only country to have experienced the devastation that could be wrought by atomic energy released by instruments of war, his country felt profound sympathy for all the persons who had suffered the consequences of the accident and was concerned about its possible long-term effects on human health and the environment. That was why his delegation had decided to co-sponsor the draft resolution under consideration, which it hoped the Council would adopt by consensus.

37. International co-operation was essential to mitigate the consequences of the Chernobyl accident, but it also gave the world community a unique opportunity to consider how to prevent further potential calamities of that kind. With the increasing use of nuclear power, studies on the subject were now of paramount importance. Japan commended the efforts being made by IAEA in response to the Soviet Union's proposal concerning work at the Chernobyl Centre for International Research and the activities of the International Advisory Committee.

38. Japan considered that the Chernobyl Centre could help considerably in enhancing the safety of nuclear power plants and it therefore intended to participate actively in its establishment. To that end, it planned to send several Japanese experts to join a survey team that was to visit the affected areas. It welcomed the fact that the International Advisory Committee was to be presided over by a Japanese authority on the effects of radiation and hoped that that Committee would successfully carry out the task entrusted to it.

39. According to information recently provided by the Soviet authorities, the consequences of the accident had been very extensive, even affecting such vital areas as agriculture and forestry and jeopardizing the living conditions of the rural populations concerned. In particular, the supply of food to the population of the affected areas would be a matter of increasing concern.

40. In order to provide effective assistance, the competent organizations would have to take co-ordinated and concerted action, avoiding duplication of effort. It was no less important that the Soviet Union should provide clear directives for the future. His delegation hoped that a practical plan would be formulated on the basis of the results achieved, with a view to mitigating the consequences of the disaster.

41. Shortly after the accident, Japan had extended assistance to the Soviet Union, particularly in the form of medical co-operation. It had since responded favourably to that country's requests for exchanges of experts and joint research. Having accumulated special expertise in that area over the past 45 years, Japan intended to continue such co-operation and explore other areas in which it might provide assistance, both bilaterally and multilaterally.

42. Mr. KOLOKOLOV (Union of Soviet Socialist Republics) said that, since 26 April 1986, the name Chernobyl had come to be a warning to all of mankind about the possible consequences of a nuclear disaster. The accident at the Chernobyl power plant had brought tragedy to millions of people living in the territories of three Republics of the Soviet Union. It had also been an occasion on which to call for international co-operation, since no one was sheltered from the effects of such disasters.

43. At Chernobyl, it had been necessary to deal with a number of scientific, social, economic, political, environmental and genetic problems which had never before arisen on such an enormous scale. The problem of eliminating the consequences of the accident had taken on a world-wide dimension. The Soviet Union was grateful to the international community for having shown its readiness to collaborate in that task and it intended, of course, to participate in implementing the recommendations of the international experts. It had spared no effort to control the effects of the disaster with its own resources. In the early stages, special measures had had to be taken affecting practically all aspects of life and calling for considerable resources, the assistance of eminent scientists and specialists and the heroic efforts of thousands of people.

44. The in-depth study of information collected on the spot had brought to light far more complex problems than had been foreseen. Like the Ukrainian and Byelorussian Governments, the Government of the Russian Soviet Federative Socialist Republic had therefore adopted a programme for the elimination of the consequences of the Chernobyl accident. That programme, whose importance and topicality had been reaffirmed following the declaration of the sovereignty of the Federation, formed part of the Soviet Union's central programme of action. Co-operation among the authorities of the three Republics was directed at the single objective of the health of the population. In 1988, 116,000 people had been evacuated from the contaminated areas and relocated.

45. On the proposal of IAEA, an international scientific centre was to be established in 1990 in the immediate vicinity of the Chernobyl site. The topics of its research work had already been decided and efforts were being made to prepare the material and technical infrastructures to receive foreign scientists. Twenty-five countries had already expressed their interest in second-

ing specialists to the centre. In his delegation's view, the co-ordination of the scientific and technical work to be undertaken by international organizations in the territory of the Soviet Union with a view to eliminating the consequences of the accident might be ensured by IAEA.

46. Measures had been finalized for providing medical assistance to contaminated persons. Those affected were being cared for in a new network of medical hospital establishments. Health establishments would shortly have to be re-equipped with medical and data processing equipment, modern dosimetric, radiometric and spectrometric installations and supplies of medicines. Experience had shown the usefulness of seconding Soviet specialists to foreign centres and organizing counterpart courses in the Soviet Union. An examination of the country's resources had shown the need for giving treatment abroad to irradiated children. The Soviet Union was ready to use the experience of foreign scientists and doctors to develop a training system for medical staff and improve the medical knowledge of the population of the contaminated areas.

47. The Memorandum of Understanding signed in April 1990 between the Ministry of Health of the Soviet Union and WHO should be useful in that regard. It was directed at the implementation of a long-term international programme to follow up and mitigate the consequences of the Chernobyl disaster which would include the establishment of an international centre on radiological and medical problems. In view of its high level of competence and material resources, WHO could coordinate the medical aspects of the programmes of cooperation with the Soviet Union carried out by United Nations agencies with a view to eliminating the consequences of the accident.

48. The material costs of the accident were already considerable. Over the past three years, nearly 10 billion roubles had been allocated for eliminating its consequences. The social and human effects of the disaster were no less extensive than the medical, environmental and economic effects. The evacuation of a large part of the population had disorganized the economy and all other sectors of activity in several regions.

49. In view of the extent of the tragedy and the country's real capacity, the Supreme Soviets of the USSR, Russia, the Ukraine and Byelorussia had appealed to the parliaments of all countries and relevant international organizations for their co-operation. The Soviet Union was deeply grateful for the spirit of co-operation shown on that occasion. It expressed appreciation for the collaboration and support given by the international organizations and, in particular, for the important report on the subject submitted by the Secretary-General of the United Nations (E/1990/97).

50. In response to the international community's request, the Soviet Union had provided the Council with information on the economic and social consequences of the accident. Draft resolution E/1990/L.21/Rev.1 before the Council was based on the idea that close cooperation by all States would once again help to reaffirm the universal humanitarian principles that had guided the founders of the Organization.

51. Mr. VAN BRAKEL (Canada) stressed that it was not until four years after the accident that the world was coming to realize the full extent of the tragedy which continued to affect the populations of the disaster-stricken territories. The complexity of the tasks to be undertaken to safeguard their health and restore the environment to productive use would require extensive resources and co-ordinated efforts by many bodies of the United Nations system. In co-sponsoring draft resolution E/1990/L.21/Rev.1, his delegation had sought to express its solidarity with the Byelorussian, Ukrainian and Soviet peoples.

52. Canada had participated in the international efforts to deal with the consequences of the accident, particularly through IAEA, other United Nations agencies and the ICRC. IAEA had played a prominent role in international co-operation in that regard. It was currently coordinating a major international radiological assessment to review and corroborate independently the scientific measurements taken by the Soviet authorities since the accident and to evaluate the protective measures taken to date and proposed for the future.

53. In considering the draft resolution, account should be taken of the highly technical nature of much of the work required. It was also important to call upon the best independent expertise available and to entrust the co-ordination of the work to the body with the necessary technical expertise, namely IAEA. In addition, it was important to draw up and implement a careful communications strategy to ensure that complex technical data could be presented in a form that was understandable both to national decision-makers and to laymen. His delegation hoped that the follow-up to the resolution would strengthen the central role of IAEA and make it possible to avoid duplication in the use of the United Nations system's resources and in the assistance provided to the affected areas. It urged the Governments of those regions to take account of the results of the ongoing radiological assessment to define precisely the nature and scope of assistance which the international community might provide.

54. Mrs. OPELZ (International Atomic Energy Agency) said that, for the sake of brevity, the IAEA contribution to the report of the Secretary-General (E/1990/97) on the question under consideration was confined to a description of the international assessment of the radiological consequences of the accident, as referred to in operative paragraph 2 of draft resolution E/1990/L.21/Rev.1. IAEA had, however, carried out a number of other activities related to the Chernobyl accident and those activities would be continued after the publication of the assessment.

55. In view of its competence, IAEA had naturally assumed the functions of co-ordinator of the international co-operation established immediately following the accident. It was nevertheless aware of its limitations. Since the authorities in the affected area had variously turned

for advice to WHO, FAO and other specialized agencies depending on the field in which they sought such advice, there had been a need for harmonization, in response to which the Inter-Agency Committee for the Response to Nuclear Accidents had been established, initially for a two-year period. The organizations participating in the work of the Committee (IAEA and the organizations listed in paragraph 5 of the report of the Secretary-General) had already established practices and modalities of co-operation in the matter and it had seemed to them entirely natural to co-ordinate the action undertaken in response to the more recent appeals of the Republics affected by the accident. Since the Inter-Agency Committee was an open-ended body and the requests for assistance in mitigating the effects of the accident had involved many organizations, it was anticipated that additional participants would attend the next Inter-Agency Committee meeting.

56. The international assessment of the radiological consequences of the accident would no doubt lead to recommendations that should be followed up by various organizations in their respective fields of competence. It was obvious that the scarce resources, including human resources, available to meet that challenge should be used effectively. IAEA would continue its own assistance efforts and strengthen its co-operation with other United Nations agencies through the Inter-Agency Committee. It would also extend its fullest support to the Secretary-General for the preparation of the report requested by the Council.

57. Mr. MACEDO (Mexico) said that the question under consideration was important not only in its humanitarian aspects but also because of the serious implications it could have for the future use of nuclear power for peaceful purposes.

58. When the Chernobyl accident had occurred in 1986, the international community had shown its solidarity towards the Governments concerned by providing substantial medical and technical assistance. It had been thought at that time that, once the immediate consequences of the accident had been eliminated, the problem would be solved. Unfortunately, recent reports showed that the disaster was one of unprecedented magnitude whose total effects on the health of the population and on agriculture in the disaster areas had not yet been assessed.

59. The alarming information provided by the Governments of the Republics concerned and by various United Nations bodies showed that there was still much to be done in the humanitarian and environmental fields to restore the situation to normal. His delegation expressed its full solidarity with the efforts being made to assist the three Governments concerned and firmly supported increased co-ordination of the activities of the United Nations system in that regard. It was in that spirit that it had co-sponsored draft resolution E/1990/L.21/Rev.1, which it hoped would be adopted by consensus.

60. The Chernobyl accident confirmed the validity of Mexico's position in favour of nuclear disarmament and the use of atomic energy exclusively for peaceful purposes. The consequences of the accident, extremely serious though they were, were nothing compared to the effects a nuclear war would have. His delegation therefore wished to reaffirm its steadfast conviction that the atom's enormous power should be used solely in the interest of mankind and not for the destruction of civilization. From that standpoint, it was essential to ponder deeply on the Chernobyl accident and learn from it so as to ensure that atomic energy never again escaped from human control.

61. Mr. ANDRÉEN (Sweden), speaking on behalf of the Nordic countries, said that, while the Chernobyl accident had had particularly serious consequences for the peoples of the Soviet Union, other countries, including the Nordic countries, had also been affected. They therefore urged all countries using nuclear energy to ensure that the highest safety standards were achieved in their national programmes. In order to reduce current risk levels, it should be mandatory to re-examine periodically all existing nuclear reactors and their degree of safety, choosing the most recent standards as criteria, and to prescribe corrective measures whenever necessary.

62. The Nordic countries supported the work of IAEA in developing international safety principles, regulations and guidelines applicable to the whole of the fuel cycle and all categories of nuclear waste. They urged all countries to continue to use IAEA's services to enhance the safety of nuclear installations.

63. In that context, the Nordic countries wished to refer to the Bergen Ministerial Declaration, in which the Ministers of 34 countries of the ECE region had, *inter alia*, agreed to strengthen co-operation in the prevention and control of transboundary impact of industrial accidents and, in particular, to aim for the rapid formulation of the relevant ECE legal instrument. The Ministers had also decided to urge Governments and international organizations to provide assistance in overcoming the consequences of industrial accidents, in particular those with transboundary effects such as the Chernobyl accident. In that connection, they had stressed the need for taking account of the proposal for the establishment of a centre on emergency assistance in the event of an accident affecting the environment and for the identification of possible gaps in existing response networks.

64. In view of their considerable interest in the question, Denmark, Finland, Norway and Sweden were among the many States that had co-sponsored draft resolution E/1990/L.21/Rev.1.

65. Mr. SCHLEGEL (German Democratic Republic) said that the attention of the people of his country had once again been drawn to the consequences of the Chernobyl disaster when several hundred children from the disaster area had arrived there recently to spend a four-week holiday financed by the Red Cross and religious institutions and by private donations from persons in the German Democratic Republic. It was above all the long-term effects on human health and on the environment that made it a moral challenge to strengthen international

co-operation in studying and mitigating the highly complex consequences of the accident. United Nations bodies could play an important role in that regard, as indeed they were already doing.

66. His delegation was convinced that the international community would take up the challenge before it and that its response would be commensurate with the magnitude of the disaster. In view of the transboundary impact of the Chernobyl accident, it was in the interest of persons in all European countries and also in other continents to draw the necessary conclusions and help improve the situation of the victims of the accident. The German Democratic Republic therefore supported the measures envisaged in draft resolution E/1990/L.21/Rev.1, of which it was a co-sponsor.

67. Mr. de RIEDMATTEN (Observer for Switzerland) said that, in addition to the measures designed to remedy the effects of the accident, the fullest possible information should be provided to the population living in the Chernobyl area in order to explain the events and their consequences and allow the inhabitants to learn more about radioactivity.

68. The scale of radioactive contamination, the international repercussions of the accident and the complexity of the problems and their financial implications made international co-operation essential. Referring to the report of the Secretary-General on the question (E/1990/97), he said that Switzerland intended to participate in the work of the Chernobyl Centre for International Research on the consequences of the accident and on the formulation of methods for eliminating possible future radioactive contamination. It also supported the study on health and the environment and the evaluation of protective measures organized by IAEA.

69. His delegation supported draft resolution E/1990/L.21/Rev.1, which it considered to be fully in line with the strengthening of co-operation. It attached particular importance to operative paragraph 5, which in spirit, if not in letter, called for the mutual co-ordination of assistance or, at least, for a regular exchange of information.

70. He noted that the Swiss authorities would continue to make a thorough assessment of the situation and would in due course study the modalities for their participation in international co-operation on the basis of the results of the various studies.

71. Mr. ARMERDING (United Nations Educational, Scientific and Cultural Organization) said that the question of the international assessment of the radiological consequences of the Chernobyl accident had been on the agenda of the first regular session of 1990 of ACC, held in Vienna from 2 to 4 May. During that session, a number of organizations, including UNESCO, which had not at that time been associated with the assessment project organized by IAEA, had expressed their readiness to join in it. The Director-General of UNESCO had also taken the opportunity to announce that, at the request of the three Soviet Republics affected by the accident, he had sent a mission to those countries to develop a project having two essential components: a scientific research and assistance programme and related awareness-building and fund-raising activities. The project had been discussed at a session of the Inter-Agency Committee for the Response to Nuclear Accidents and it had been decided to include it among the overall activities proposed by the United Nations system for remedying the consequences of the accident.

72. As indicated in the report of the Secretary-General (E/1990/97, para. 27), UNESCO and the Government of the USSR had signed an initial agreement, endorsed by the two other Governments concerned, with a view to the establishment of a programme of assistance within UNESCO's fields of competence. Under that programme it was also envisaged that UNESCO would work together with the other United Nations agencies concerned and in close co-operation with the relevant Soviet institutions to prepare a report which would be based on all completed or ongoing work and serve as the basis for a conference which could be organized at the end of 1991.

73. As an immediate measure, UNESCO and the Soviet authorities had jointly agreed on a programme to enable child victims of the accident to spend their summer holidays in Western Europe. The programme had been organized in the USSR by UNICEF and in Western Europe by the World Scout Bureau, a non-governmental organization, and Pro-Victims, a foundation based in Geneva.

74. On behalf of the Director-General of UNESCO, he assured the representatives of the three countries affected by the disaster that UNESCO would vigorously pursue the activities undertaken and would take part, within its fields of competence, in the implementation of draft resolution E/1990/L.21/Rev.1. In that connection, he said that UNESCO would have liked to be mentioned, in operative paragraph 1, as one of the organizations associated with the efforts to remedy the consequences of the accident at Chernobyl, as it had been in the original draft resolution.

75. Mr. GROZDANOV (Bulgaria) said that, as a country in the immediate vicinity of the accident zone, Bulgaria considered that the action taken by the international community to eliminate the consequences of the accident at Chernobyl would make it possible not only to provide humanitarian assistance to the victims but also to accumulate experience and establish the necessary scientific and technological potential for preventing and combating such accidents.

76. Bulgaria was ready to join in efforts to co-ordinate action to eliminate the consequences of the accident and to formulate the most suitable and effective approaches possible for the prevention of such accidents. His delegation fully shared the ideas set forth in draft resolution E/1990/L.21/Rev.1, of which it was a co-sponsor.

77. The PRESIDENT invited the Council to take a decision on draft resolution E/1990/L.21/Rev.1.

The draft resolution was adopted by consensus [resolution 1990/50].

78. The PRESIDENT said that the Council had concluded its consideration of agenda item 5.

AGENDA ITEM 2

General discussion of international economic and social policy, including regional and sectoral developments (*continued*)*

79. Mr. EL GHAOUTH (Observer for Mauritania) introduced the draft decision entitled "Inclusion of Liberia in the list of the least developed countries" (E/1990/L.33). He explained that, in accordance with Council decision 1990/206, CDP had considered whether Liberia fulfilled the necessary conditions to be regarded as a least developed country. On the basis of the technical information provided by its secretariat, the Committee had concluded that Liberia did meet the criteria in force and had therefore recommended that it should be included in the list of the least developed countries. He therefore hoped that the Council would, without delay, adopt draft decision E/1990/L.33, whereby it would endorse the conclusions of CDP and recommend that the General Assembly approve the inclusion of Liberia in the list of the least developed countries.

The meeting rose at 12.30 p.m.

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* Resumed from the 26th meeting.

29th meeting

Monday, 16 July 1990, at 10.15 a.m.

President: Mr. Chinmaya Rajaninath GHAREKHAN (India)

E/1990/SR.29

AGENDA ITEM 3

Revitalization of the Economic and Social Council

1. Mr. ter HORST (Assistant Secretary-General for Development and International Economic Co-operation) said that the efforts made since 1988 to revitalize the Council had enabled it to agree on a number of measures which, when fully implemented, should make it more capable of performing its functions, particularly with regard to policy formulation, monitoring and co-ordination. In view of the profound changes in East-West relations and the resulting improvement in the international political environment, the efforts being made to revitalize the Council should also enable it to meet the new challenges with which it would be confronted. The deliberations at the current session would certainly help to strengthen the role and functions of the Council and to create the necessary conditions so that the United Nations system could help the international community attain its economic and social objectives and thus reduce the risks of political tension and conflict.

2. Among the specific improvements resulting from the revitalization process, particular mention should be made of the multi-year work programme for the in-depth consideration of major policy themes. In its resolution 1989/114, the Council had formulated guidelines for the thematic analyses of major policy issues and the Secretariat was currently studying the methodology and timetable for their preparation in accordance with the multi-year work programme which the Council had decided to establish for the period 1992-1994 (decision 1990/205). Member States should also make the necessary arrangements for the adequate preparation of the Council's special meetings on major policy issues and agree on their format and the level of participation.

3. The first in-depth consideration of a major policy theme would take place in 1991 and would be concerned with the impact of the recent evolution of East-West relations on the growth of the world economy, in particular on the economic growth and development of the developing countries, as well as on international economic co-operation. In that connection, the informal exchange of views that had taken place on the theme at the current session had helped to identify the issues on which the preparations for the special meeting in 1991 could be focused. With the experience and active participation of experts and eminent personalities, future brainstorming sessions would certainly become an opportunity to develop new approaches and, above all, a common understanding of the many problems with which the international community was faced.

4. Admittedly, much remained to be done to improve not only the effectiveness of the Council itself, but also the functioning of the entire United Nations intergovernmental machinery in the economic and social sectors. The Secretary-General's report on the revitalization of the Council (E/1990/75) pointed to a number of measures which could help to achieve that goal. In that connection, he drew attention to two sets of issues relating to the revitalization of the Council. The first set included the streamlining of the agenda, the biennializa-

tion of work programmes, inputs and documentation, the Council's statutory responsibilities for the work of its subsidiary organs and its monitoring functions. The second set related to the overall functioning of the United Nations intergovernmental machinery in the economic and social sectors, of which the Council was only one element. Consequently, the Council could realize its full potential only if the activities of the system as a whole reinforced and complemented each other.

5. Mr. ter Horst questioned whether it was actually possible to streamline the Council's agenda. Currently, the agenda contained too many items on which no substantive discussion took place and no new proposals were adopted. A more compact and specific agenda would enable the Council to achieve a sharper focus in its work and would also help to reduce the volume of documentation. The Council should also be able to deal appropriately with issues of specific concern to Member States without necessarily having to place a new item on its agenda. For example, in the general discussion, delegations could, in their statements, raise specific issues of national interest which were not already covered by an existing agenda item and the President of the Council could take them into account in his summary of the major conclusions of the general discussion prepared pursuant to Council resolution 1989/114.

6. The clustering of several issues under a single agenda item gave the impression that the number of issues to be dealt with had been reduced, with a consequential saving of time, but such an impression was purely illusory. In addition, a careful examination needed to be made of the application of the biennial principle, which at present amounted essentially to an apportionment of work between the Second Committee of the General Assembly and the Council.

7. As far as documentation was concerned, it should be noted that every document was drawn up pursuant to a decision taken by a deliberative body and that, taken separately, every request could appear to be justified. Collectively, however, it had been found that requests from different sources often led to duplication. Consequently, there was a need to carry out a detailed review of documentation on the basis of the suggestions made by the task force on documentation (E/1990/93) in order to determine which reports could be suppressed or consolidated in a single document. He personally would favour an approach whereby the Council would be informed, perhaps three months in advance of its session, of which documents could not be submitted to it for lack of sufficient resources.

8. In fulfilling its monitoring function, all too often the Council merely endorsed recommendations emanating from its subsidiary bodies, even when the latter were contrary to its own decisions, approved by the General Assembly. As a policy-making and co-ordinating body, the Council must give greater attention to the reports of its subsidiary bodies. That might require changes in reporting procedures and in the manner in which the Council considered the reports before it. The deliberations, decisions and inputs of subsidiary bodies should be more technical in nature so as to facilitate decision-making at the political level. In that connection, the Council would also have to play a more important role in harmonizing international economic policy in accordance with the functions entrusted to it by the Charter of the United Nations and pursuant to the provisions of the Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, adopted by the General Assembly at its eighteenth special session (resolution S-18/3).

9. Welcoming the draft decision on strengthening multilateral co-operation in international economic affairs (E/1990/L.37), submitted by Bolivia on behalf of the Group of 77, Mr. ter Horst stressed that the need to strengthen multilateralism was greater than ever before. At a time when a new era of peace based on co-operation and solidarity was being inaugurated and when there were indications that the world could be channelled towards economic and social progress, it was advisable to reflect on the measures that ought to be taken to enable the United Nations system to take up the challenge. A more complete revitalization of the system in the economic and social sectors must, of course, form part of those measures.

10. Mr. NAVAJAS MOGRO (Observer for Bolivia), speaking on behalf of the Group of 77, said that one of the Group's objectives had always been to maintain and strengthen multilateral mechanisms for international co-operation, the most complete expression of which was constituted by the United Nations and the United Nations system as a whole. It therefore attached great importance to any action taken to strengthen the Organization and the system as a whole and to improve the way in which they functioned.

11. Although it was true that the changes that were currently taking place in the political, economic and technological fields, as well as the increasingly acute awareness of the community of interests among nations, must necessarily affect the Organization's present and future development, it was also true that the Organization, too, could and must channel the development of international relations towards the establishment of a more equitable and more humane international order characterized by peace and progress.

12. Accordingly, the Group of 77 had taken important initiatives to revitalize the Economic and Social Council. To enable the Council to fulfil its mandate more effectively and respond better to the needs of Member States and, in particular, to the urgent and growing problems of the developing countries, it was essential to improve its structures, organization and functioning.

13. The specific measures proposed by the Group of 77 were essentially reflected in Council resolutions 1988/77 and 1989/114. Pursuant to those resolutions and in order to strengthen its policy-making function, the Council, by its decision 1990/205, had approved, also on the initiative of the Group of 77, an indicative multi-year

work programme for the in-depth consideration of major policy themes during the period 1992-1994. By the same decision, it had decided to select, as the major policy theme for 1991, the question of the impact of the recent evolution of East-West relations, on which a preliminary informal exchange of views had just taken place. It had also decided to organize, during its second regular session of 1991, a high-level special meeting for an in-depth consideration of that topic. In the opinion of the Group of 77, the implementation of the arrangements for the organization of that meeting would provide an opportunity to test an important aspect of the revitalization process.

14. Among the interesting suggestions contained in the Secretary-General's report (E/1990/75), the Group of 77 considered that the organization of meetings at the ministerial level warranted particular attention. When considering the issues dealt with in that report, the Group of 77 had noted with some concern that certain provisions of Council resolutions 1988/77 and 1989/114 had not yet been put into practice, including those concerning the monitoring and co-ordination functions as well as documentation and the Secretariat support structure. Consequently, the Council must not be content with the progress achieved so far, but must follow up the efforts being made to give full effect to those resolutions.

15. In due course, the Group of 77 would submit a draft resolution on the important issue of revitalization. Meanwhile, it reaffirmed its will to work, jointly with all other delegations, for the intensification of the revitalization process.

16. Mr. SCIALOJA (Italy), speaking on behalf of the European Community and its member States, said that, in the view of the Twelve, the United Nations must play a key role in improving the economic and social well-being of mankind and, in particular, of the populations of the developing countries, all the more so since, in the 1990s, the relaxation of international tensions should allow the international community to focus its attention on that objective. The Declaration adopted by the General Assembly at its eighteenth special session (resolution S-18/3) stressed that the United Nations was the only body capable of assisting the international community to implement the goals and commitments set forth in the Declaration. Although they supported the role of the United Nations in that field, the Twelve considered it necessary to improve and adapt the functioning of the system in the economic and social fields so that it could really help the international community to meet the challenges of the 1990s.

17. The discussions on the revitalization of the Council had led to the adoption of certain measures to strengthen the Council's co-ordinating role in respect of the intergovernmental machinery of the United Nations system in the economic and social fields. The Twelve continued to attach great importance to the full implementation of the resolutions on revitalization adopted by the Council and the General Assembly and were ready to contribute towards it. Further adjustments must clearly be made in the Council's agenda and methods of work. However, if progress was to be made, it was essential that Governments should make better use of the Council, that the Council and its subsidiary bodies should operate in a more focused manner and that the Secretariat should make further efforts to improve the quality of its supporting documentation and, in particular, to respect the six-week rule.

18. A study of the functioning of the Council was useful, but also had its limitations. Consequently, the Twelve considered that a fresh look should be taken at the full range of relationships between the various intergovernmental bodies and organizations concerned with economic, social and development matters, with a view to the better co-ordination of their activities and the elimination of duplications. They would therefore like the Secretary-General to submit proposals on that issue. In his report (E/1990/75), the Secretary-General stressed that the streamlining of the Council's work could not be dissociated from the proper functioning of the intergovernmental machinery in the economic and social field as a whole. In that context, the Twelve were awaiting with great interest the recommendations which the Secretary-General was due to submit to the General Assembly on the intergovernmental structure and the Secretariat support structure.

19. The Twelve had also indicated the need to examine the different options for the Council's sessional arrangements, namely, the possibility of holding the spring session in Geneva and the summer session in New York, the possibility of organizing a single session, alternately in Geneva and in New York, and the possibility of making better use of existing arrangements.

20. In any case, the Twelve remained convinced of the need to restructure the economic and social sector of the United Nations system and of the advisability of retaining that item on the General Assembly's agenda. They hoped that the Organization's financial situation would soon be normalized, thus facilitating restructuring efforts.

21. Mr. WANG Baoliu (China) recalled that, at its 1990 organizational session, the Council had taken a crucial decision (1990/205) for the strengthening of its role in the economic and social sector and for the search for a solution to economic and social problems, in so far as it had drawn up its work programme for the period 1992-1994 and had identified the major policy themes to be dealt with during that period. The preparation of high-quality thematic analyses was essential for the in-depth consideration of the major policy themes selected. His delegation was in favour of the idea of inviting two or three eminent experts or knowledgeable persons to take part in the informal exchanges of views on major policy themes. It also endorsed the suggestion that the Secretariat should prepare informal background documents for the exchanges of views. The question whether the consideration of major policy themes should or should not take place at the ministerial level should be settled

according to the nature of the themes in question and the circumstances.

22. In his delegation's view, the three suggestions made by the Secretary-General to strengthen the Council's monitoring role (E/1990/75, para. 28) were, on the whole, feasible. In particular, the Council should closely monitor the implementation of the international development strategy for the fourth United Nations development decade and specific and systematic arrangements could be envisaged for that purpose. The Council should also study appropriate measures to monitor the implementation of the Declaration adopted by the General Assembly at its eighteenth special session.

23. A comprehensive review of operational activities for development should be conducted every three years and some issues in that field should be considered selectively every year. The question of the establishment of a committee on operational activities could be resolved by consensus after consultations with the various parties concerned.

24. The Secretariat had managed to some extent to improve the quality of documents and to distribute them in better time. His delegation hoped that it would continue its efforts along those lines. In that connection, it would be advisable to make a careful study of some of the specific measures envisaged in the report of the task force on documentation (E/1990/93).

25. His delegation considered that revitalization was a gradual process and that any hasty measures must be avoided. Above all, it was important to consolidate the progress already achieved and to focus on ways of strengthening the Council's role. Since the Charter of the United Nations contained clear-cut provisions on the Council's mandate, all the revitalization measures to be taken would have to be fully in keeping with them.

26. Mr. OUDOVENKO (Ukrainian Soviet Socialist Republic) said that the Council was a body that played an essential role in the economic and social field. It was therefore essential to revitalize it so that its work was as far as possible in keeping with the requirements and realities of the contemporary world. He therefore supported the conclusions and suggestions contained in the Secretary-General's report (E/1990/75).

27. In the spring of 1990, the Governments of the Ukrainian SSR, the Soviet Union and the Byelorussian SSR had sent the Council proposals (E/1990/64) concerning international co-operation to eliminate the consequences of the accident at the Chernobyl nuclear power plant and to mitigate its effects, since they had considered that, because of the functions and powers entrusted to it by the Charter of the United Nations, the Council was in the best position to solve the economic and social problems arising from that disaster.

28. His delegation had supported the choice of the subject to be considered as a major policy theme in 1991, namely the impact of the recent evolution of East-West relations on the growth of the world economy, in particular on the economic growth and development of the developing countries, as well as on international economic co-operation, because the subject was of particular importance on account of its topicality. The Ukrainian SSR was very much interested in it because, in order to change from a centrally planned economy to a market economy, it had to create the conditions for a new form of economic development that would permit it to participate fully in international economic and trade relations. In addition, as emphasized in the communiqué published at the end of the First Meeting of the Summit-level Group for South-South Consultations and Co-operation, held at Kuala Lumpur from 1 to 3 June 1990,[1] the improvement in East-West relations should make it possible to release a large part of the resources that had been devoted to the arms race and to use them for development purposes.

29. In his opinion, informal exchanges of views on specific themes were the best way of ensuring international co-operation, since they allowed compromise solutions to be arrived at and decisions to be adopted by consensus. However, in order to make an in-depth analysis of the themes considered, delegations must have the necessary documentation in good time.

30. He endorsed the recommendations contained in the report of the task force on documentation (E/1990/93). The delay in distributing a large number of reports had again caused problems. Documentation was therefore a question to which the Council should constantly pay attention. He would not be opposed to an extension of the mandate of the task force on documentation.

31. In order to revitalize the Council successfully, its co-ordinating role in the economic and social field must first be strengthened. It should be noted that, since the adoption of resolutions 1988/77 and 1989/114, substantial progress had been made in that regard. In its resolution 44/194, the General Assembly had again referred to the importance which it attached to the Council's co-ordinating role. It had further proposed to the Council and to CPC that they should make a more thorough study of the report of ACC. In his view, that report should be reviewed immediately after the joint meetings of CPC and ACC so that the recommendations it contained could be implemented without any need to wait until the Council's second regular session in 1991.

32. He pointed out that, under resolutions 1988/77 and 1989/114, the President of the Council had a very important role to play in conducting informal consultations. In that connection, he paid a tribute to the representative of India for the wisdom and efficiency he had displayed at the recent consultations.

Mr. Burke (Ireland), Vice-President, took the Chair.

33. Mr. GHEZAL (Tunisia) said that the changes that had recently taken place in international relations provided an opportunity to strengthen the role of the United Nations and to increase the Council's effectiveness by

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[1] See A/45/303, annex.

enabling it fully to discharge its duties under the Charter of the United Nations.

34. In view of the problems CPC had encountered with regard to the implementation of its recommendations on the programme budget and the draft medium-term plan of the United Nations, it was clear that intergovernmental structures and Secretariat support structures had to be adapted to the current economic and social priorities of countries, particularly the developing countries. The lack of specialized bodies to deal with the most sensitive problems of the developing countries, such as their external indebtedness or the problems connnected with their economic growth and development in general, was a serious shortcoming that urgently needed to be remedied.

35. States had a duty to translate into action the commitments they had made in the Declaration adopted by the General Assembly at its eighteenth special session. In that connection, the Council was to be congratulated on having decided to give high priority to the questions of financial resources for development and the external debt of the developing countries.

36. The Secretary-General's report on the revitalization of the Council (E/1990/75) showed that there had been a change in the way problems were analysed within the Secretariat. Many of the recommendations contained in the report genuinely served the goals of Member States and deserved to be confirmed in a draft resolution at the present session.

37. The Council, by its decision 1990/25, had developed an experimental multi-year work programme for the period 1992-1994. Care would have to be taken to ensure that the new support structure created within the Secretariat would be capable of carrying out the planned economic and social thematic analyses in co-operation with all the relevant bodies of the United Nations system. In his opinion, the "separate and identifiable" support structure should be split up into two substructures, one dealing with matters of substance and the other providing technical services. The support structures should also be adapted so that they were in keeping with the new priorities, particularly as far as the revival of growth and development in the developing countries was concerned.

38. He supported the suggestion that the Council should hold only one annual session that would take place alternately in Geneva and New York. Since the Council's three committees met simultaneously, the session should not last more than five or six weeks, thereby making it possible to save time and resources.

39. Mr. KHALIKOV (Union of Soviet Socialist Republics) endorsed the ideas put forward by the Assistant Secretary-General for Development and International Economic Co-operation, particularly those relating to the Council's new functions.

40. The revitalization of the Council was linked to the improvement of the productivity and professionalism of sectoral bodies and agencies, to the clearer delimitation of their spheres of competence, to the elimination of duplication and overlapping and to the strengthening of co-ordination among the constituent elements of the United Nations system. It was particularly important to ensure that budgets were used rationally and economically to achieve objectives calculated to improve co-operation in the economic and social field for the benefit of the peoples of all countries.

41. Council resolutions 1988/77 and 1989/114 contained some interesting recommendations for improving the effectiveness of the Council's work. He supported the conclusions and suggestions contained in the Secretary-General's report (E/1990/75). The recommendations on the consideration of major economic and social policy themes at special meetings of the Council organized at the ministerial level were particularly acceptable. In that connection, his delegation endorsed the Secretary-General's suggestion that such meetings should be held once a year during the summer session. The Council could thus benefit from both the assistance of the most highly qualified experts to deal with certain topics and the presence of high-level representatives within delegations. That would enable it to arrive at particularly well founded decisions.

42. In formulating specific measures for the revitalization of the Council, account must first of all be taken of the co-ordinating role assigned to it by the Charter of the United Nations. The Council's co-operation with the various inter-secretariat mechanisms should be strengthened.

43. The consideration of the question of international co-operation to eliminate the consequences of the accident at the Chernobyl nuclear power plant (agenda item 5) had shown that the Council was quite capable of taking decisions which mobilized the entire international community for the solution of particularly serious economic and social problems. The informal exchange of views which had recently taken place on East-West relations was another example of the possibilities offered by the Council.

44. The recommendations contained in the report of the task force on documentation (E/1990/93) should make it possible to improve the situation with regard to documentation, provided that the Secretariat made a great effort to prepare the necessary documents in time.

45. All the efforts being made to revitalize the Council were valid and useful, since they were an essential part of the work which had to be done to ensure the overall effectiveness of the United Nations in all fields. However, the most important task at the present time was the careful consideration of the economic and social questions on the agenda for the present session, since reforms in those fields were of vital importance for the future.

46. Mrs. CARVALHO DE PLASA (Mexico) said that the revitalization of an already existing body such as the Council was not and should not be an end in itself. Some international organizations had been born precisely out of confrontation and had already been subjected to an analytic process to determine the purposes which they

should serve in future, since their original purposes were no longer in harmony with the present international context. In the case of the Council, the reverse was happening: after struggling for many years to ensure its survival, it was once again in good shape to play the role that had originally been assigned to it.

47. The revitalization of the Council required no radical reforms in its structure. All that was needed was to improve its working methods and the co-ordination of its work. Measures to that effect had already been adopted in resolutions 1988/77 and 1989/114. Since those resolutions could be implemented only as part of a continuous process, the Council should recommend immediate action on three main points: policy formulation on priority subjects, co-ordination and the organization and methods of work.

48. The first of those points, policy formulation on priority subjects, was subject to adjustment. The Council could not deal in depth with all economic and social matters: *ad hoc* bodies and the specialized agencies existed for that purpose. The Council itself must give priority to the consideration of urgent problems. The most practical way of dealing with specific, urgent subjects would be to reorganize the agenda. Multi-year programming would replace the current list of subjects, which were so heterogeneous that it was impossible to consider them in depth. A general list of items to be considered should therefore be drawn up and it would be updated by the Council when it considered it necessary to do so. The general discussion at the next session of the Council might focus on the following topics: debt, drugs, environment and population. It would be necessary to establish a group of experts which would meet before the session to prepare the topics to be considered in an appropriate way.

49. As far as the second point, co-ordination, was concerned, to exercise its functions effectively the Council should resume its original mandate and serve as the focal point for co-ordinating the activities of the specialized agencies, taking care to ensure that its work did not duplicate that of other bodies. For the establishment of such co-ordination, the active participation of the governing bodies of the specialized agencies was necessary. It would also be very useful to establish a co-ordinating committee which would meet at regular intervals with the governing bodies of the specialized agencies for the purpose of preparing the Council's annual meeting.

50. With regard to the third point, organization and methods of work, the Council should hold only one session a year lasting five or six weeks. The holding of two regular sessions at two different places had serious financial implications, not only for the United Nations system but also for delegations. The Council should also have flexible mechanisms for organizing its work in accordance with the needs of each item and should make greater use of the arrangements provided for in its rules of procedure and, in particular, of special sessions on priority subjects, which could take place before or after the regular session.

51. Mrs. TIKANVAARA (Finland), speaking on behalf of the Nordic countries, recalled that the latter had always been firm supporters of reforms designed to make the United Nations an even better instrument for the service of its Member States. The Nordic countries had actively participated in the work of the Special Commission of the Council which had been established in 1987 to carry out an in-depth study of the United Nations intergovernmental structure in the economic and social fields. The Special Commission had been unable to reach unanimous conclusions. The Nordic countries' view had been that the purpose of the reforms should not be to bring about further budgetary savings: any savings made should be invested in priority programmes. Apart from that difference, the Nordic countries had identified a number of critical problems. The agenda was too broad and priorities were not clear, so that it was difficult for the Council to concentrate on vital issues. The intergovernmental machinery was developing in several directions at once, with the resulting duplication of agendas and work. Those developments were more the product of a series of *ad hoc* decisions than of a comprehensive analysis of needs. Partly because of such a proliferation of bodies and meetings, Member States could not always prepare adequately or send representatives with the necessary expertise. The heavy organizational structure in the social and economic fields made it difficult to tackle urgent problems expeditiously. In addition, a great deal of the overlapping was attributable to the lack of an "institutional memory". The Council itself functioned badly: there was too much duplication of work between it and the Second Committee of the General Assembly.

52. Nevertheless, the revitalization efforts had led to some progress in the organization of work, as shown by the Secretary-General's report (E/1990/75). Thematic analyses, the adoption of a multi-year programme of work and the simplification of procedures were all welcome steps forward. In the same report, the Secretary-General made a number of suggestions, both practical and substantive, which ought to be considered in a broader context and should not be taken up immediately.

53. The reform should essentially be concerned with establishing priorities for the substantive work to be done, taking as a reference framework the Declaration adopted by the General Assembly at its eighteenth special session (resolution S-18/3), the international development strategy for the fourth United Nations development decade and the recommendations to be made at the United Nations Conference on the Least Developed Countries in September 1990 and at the United Nations Conference on Environment and Development in 1992.

54. The intergovernmental machinery would have to be adapted to those priorities, but in a flexible manner. The Nordic countries therefore strongly urged the Secretary-General to submit suggestions to the General Assembly at its forty-fifth session on how to restructure the intergovernmental machinery in the economic and social sectors.

55. Mr. RASAPUTRAM (Observer for Sri Lanka) said that he agreed with all the policy formulation measures suggested by the Secretary-General in his report (E/1990/75). The multi-year work programme could, if necessary, be adjusted every year and, in his view, some of the major policy themes selected for the period 1992-1994, such as the elimination of poverty and environmental issues, should be included in the programme for at least two consecutive sessions. As far as the number of annual sessions was concerned, it might be more productive to devote more time to co-ordination and monitoring and, consequently, to hold only one session. At the end of each session, the President ought to draw up a report which would then be discussed. Prior to the session, the members of the Council should have before them an analysis of the results of earlier negotiations, which at present were usually mentioned at too great a length in the preambles to many draft resolutions and decisions.

56. There was no doubt that the Council's role was diluted by the effect of the proliferation of often dynamic agencies and specialized bodies. First of all, the Council must strengthen its function of co-ordinating the whole range of socio-economic activities carried out by all organizations. Decentralization might deprive the Council of any effectiveness unless it was accompanied by close supervision, by the Council itself, of the decentralized activities. It would therefore be advisable to establish small control units within each regional commission and specialized agency, whose reports would not be purely statistical, but would also indicate and comment on emerging trends. The Council would perform its co-ordinating work by means of such controls, which should be periodic. Senior officials of the various organizations could meet regularly in order to make their plans known in greater detail. The establishment of a permanent programme committee along those lines would eliminate many cases of overlapping.

57. The Council should then follow the matter up by assessing, on a regional basis, the capital required by countries in order to achieve a growth target compatible with the desirable reduction of inequalities among countries. With that type of analysis, the Council would not only assist countries of the region concerned but would also make the regional commissions more vigilant and competitive, each seeking to obtain the largest possible share of available resources. In particular, the implementation of the international development strategy should be considered and monitored. Changes in the political climate and in other areas might weaken the strategy unless corrections were made to it in time. Consideration could be given to making an annual review of the implementation of the strategy in order to encourage countries to keep to the targets set and the policy guidelines adopted.

58. The documentation prepared for the Council must contain high-quality information to facilitate the decision-making process. All organizations tended to publish thick volumes on their activities, that were certainly useful for students and research workers but were no doubt less so for delegations. All that would be needed was a brief summary highlighting a number of elements to which priority had to be given.

59. On the whole, the first stage of revitalization had produced good results and it might be advisable to postpone further adjustments until the 1992 review. In the meantime, suggested improvements could be taken into account within the framework of existing structures.

60. Mr. AHMED (Bahrain) said that it was not enough to adopt the revitalization measures referred to by the Secretary-General in his report (E/1990/75). There must also be the political will to implement those measures so that the general discussion that took place every year would have some impact. Participants in the general discussion must keep to the subject and refrain from what were often tedious digressions.

61. The major policy themes undoubtedly had to be selected on the basis of priorities, but they would have to be carefully defined, since the Council was adopting a multi-year work programme. However, the major themes which the Council wished to consider during the period 1992-1994 did not reflect problems that needed to be taken up with the greatest urgency.

62. The participation of the specialized agencies in the Council's discussions was essential if the dialogue was to be fruitful. However, contact with them had to be established directly with the heads of their secretariats.

63. The problem with documentation was not so much its length as its content. It often happened that the Secretariat repeated itself from one document to another—for example, in reporting facts or referring back to the past—and that could give rise to ambiguities. The reader did not always clearly understand what was being communicated to him. Co-operation should therefore be established among the Secretariat services to solve the problem.

64. The high-level meeting in 1991 must be well prepared and it would be useful, as suggested in the report (E/1990/75, para. 27), to arrange for it to be preceded by a meeting of experts. The Secretary-General should make the necessary arrangements for the special meeting, which should be primarily concerned with trade, investment and the new East-West relations.

65. Mr. KHAIMUK (Thailand) noted that the economic and social sectors of the United Nations system had been criticized for a long time and that proposals had been made to reform them. During the period under review, JIU had submitted a concluding report on the subject[2] indicating a number of shortcomings in the functioning of the Council, in the division of work among Secretariat services and in the definition of the responsibilities of the Director-General for Development and International Economic Co-operation.

66. As far as policy formulation was concerned, the informal exchange of views that had taken place on the

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[2] JIU/REP/89/7.

impact of the recent evolution of East-West relations on the growth of the world economy should facilitate the in-depth consideration of the theme which the Council was to undertake. Such informal exchanges should therefore be better structured in future, through the provision of basic documentation, for example. It would also no doubt be useful to invite two or three eminent scholars or knowledgeable persons to take part in them.

67. The Council had already selected several major policy themes for its multi-year work programme for 1992-1994 and it would have to be ensured that the in-depth consideration of those themes led to appropriate policy recommendations, to improvements in co-ordination and to the streamlining of the agenda. Care would also have to be taken to ensure that the thematic analyses which were to replace the cross-organizational programme analyses were really in keeping with the framework established in Council resolution 1989/114. The reform was designed to increase the Organization's efficiency in identifying policy options which would allow it to respond better to urgent emerging issues.

68. The supervision which the Council was called upon to exercise over the many different operational activities of the United Nations system would also have to be strengthened. In particular, the Council itself must establish priorities for those activities, perhaps playing a useful advisory role for the benefit of the General Assembly and thus making its own influence felt on the agencies within the system.

69. Co-ordination, which was essential and was now a very important link in a chain of intergovernmental meetings, must be strengthened throughout the system for all programmes and activities undertaken by its agencies, at both the policy and the administrative and budgetary levels. Moreover, greater prominence should be given to the need to co-ordinate operational activities for development with the specialized agencies, whose work must complement that of the United Nations, not the other way around.

70. No specific consensus had yet emerged on the measures that needed to be taken to restructure the economic and social sectors of the United Nations system. It should nevertheless be possible in the circumstances to appeal to the spirit of co-operation which had recently produced positive results in other areas.

71. Mr. SILALAHI (Indonesia) said that he fully supported the comments concerning the revitalization of the Council made by the observer for Bolivia on behalf of the Group of 77. The Council had done well to decide, in 1988, to undertake annual in-depth discussions of major policy themes included in the multi-year work programme. Such a thematic approach was particularly important because it combined the two major components of the Council's work, namely, policy formulation and co-ordination.

72. His delegation endorsed the major policy themes selected by the Council for the period 1992-1994 (E/1990/75, para. 10) and supported the Secretary-General's suggestion that the Council should consider themes that were essentially social at its first regular session and themes that were essentially economic at its second regular session. Nevertheless, in the largely social themes selected for 1992 and 1993, "Eradication of poverty in the developing countries, including the impact of structural adjustment programmes on vulnerable groups" and "Population, development and socio-economic indicators", the economic and social aspects were so interwoven that it would be almost impossible to separate them.

73. The Council would be able to play to the full the co-ordinating role inherent in the new thematic approach which it had adopted only if the specialized agencies actively participated in preparing, discussing and following up the major policy themes. It was therefore regrettable that the executive heads of the specialized agencies had not all taken part in the discussion at the present session.

74. The special high-level meeting which the Council was planning to organize for 1991 would provide an opportunity to test the new thematic approach. His delegation supported the idea of convening, according to the principle of equitable geographical representation, an open-ended intergovernmental group of experts to contribute to the preparations for the meeting. States which were members of the Council and States having observer status should arrange to be represented at the meeting at the highest possible level.

75. Mr. KOIKE (Japan) said that he, too, considered that policy formulation and co-ordination were the two most important functions in the Council's mandate.

76. In order for the Council to have a real and direct impact on the international community, particularly on decision-making by the Member States, it must deal exclusively with a limited number of major policy issues. The example set by the informal discussion of 12 July on a specific issue of great importance in a changing world was especially convincing in that regard. His delegation could therefore support the suggestions made in paragraphs 10 to 25 of the Secretary-General's report (E/1990/75) concerning the major policy themes to be included in the Council's multi-year work programme, including those relating to the need to maintain a balance between economic and social questions and to the active participation of the specialized agencies. The level of participation in the work of the Council should depend on the nature of the themes to be discussed: some major policy themes might require the presence of ministers, while others required the presence of specialists. His delegation fully shared the Secretary-General's views on the monitoring function and the Council's responsibilities for it.

77. As far as the Council's co-ordinating functions were concerned, his delegation, which attached great importance to the operational activities of the United Nations system, regretted that, in 1989, the Council had not been able to make the crucial in-depth triennial review. It also hoped that the organization of the very important joint meetings of CPC and ACC would be further improved, particularly with regard to their pre-

paration, and that high-level attendance would be ensured.

78. The problem of documentation had become extremely serious within the United Nations in general, including the Council. In the circumstances, however, responsibility lay more with delegations, which asked too much of the Secretariat. The Council's decisions on the organization of work had already been implemented to a large extent, but there was still room for improvements in the intergovernmental structures. Like the Mexican delegation and the Italian delegation, speaking on behalf of the European Community and its member States, his delegation considered that, in the interests of efficiency, it would be better for the Council to hold only one annual session, perhaps in New York, at which it would deal with both economic and social issues. Consideration would also have to be given to rationalizing the Council's subsidiary bodies, especially those which still met annually. Biennial or triennial sessions should be the general rule.

79. Mr. WALKER (Jamaica) said that recent events showed how important it was to ensure that the United Nations economic and social sector was able to carry out effectively its mandates and tasks while taking account of the new challenges and possibilities. To that end, however, it was necessary either to revitalize the Council or to find another way of ensuring that the required functions were performed.

80. Although it was perhaps too early to assess whether the efforts made to revitalize the Council had been fruitful, the present review provided an opportunity to ascertain whether the Council was now performing its policy formulation, monitoring and co-ordination functions more effectively. The Secretary-General's report (E/1990/75) was particularly valuable, since it identified both areas of progress and the existing limitations on the process.

81. At the Council's penultimate session, Jamaica had drawn attention to the need for Member States to agree on the issues with which the United Nations must continue to be concerned in future,[3] as an initial step towards strengthening the Council's legitimate policy formulation role. The achievement of such an objective required both well informed exchanges of views on relevant issues from which coherent policy elements might be distilled and political awareness of the Council's importance not only on account of the responsibilities entrusted to it by the Charter of the United Nations but also on account of the consideration with which Member States treated it in practice.

82. It would, of course, be necessary to wait until the multi-year work programme for the in-depth consideration of major policy themes had been implemented in order to be able to assess the contribution it would make to the Council's capacity for policy formulation. His delegation was nevertheless convinced that the thematic discussions would be very useful, as had been shown by the recent informal exchange of views held at the present session. It was important that the content of the discussions and the level of political participation should clearly convey the message that Member States considered the Council to be a high-level policy body. Furthermore, great attention must be paid not only to the preparation of the discussions, but also to their follow-up. To agree on a policy and then not to implement it would be the surest way of turning revitalization into a meaningless exercise.

83. As far as monitoring and co-ordination were concerned, improvements had definitely been made in the methods of work, particularly with regard to the agenda, documentation and the biennialization of the work programme. In that connection, the recommendations contained in the report of the task force on documentation (E/1990/93) deserved support. The Council had statutory responsibilities to supervise the work of its many subsidiary bodies and it would therefore have to make sure, through periodic assessments of reporting procedures, that it really was in a position to discharge them.

84. Mr. FERNANDEZ COSSÍO (Cuba) said that the revitalization process had been launched with the intention, at least on the part of the developing countries, of strengthening the Council's work on the economic and social aspects of international co-operation for development as an integral part of an effort to improve the effectiveness of the United Nations while ensuring its financial stability.

85. However, the adjustment had not been carried out as originally planned or with the required uniformity, since some decisions that had been taken reflected the extent to which the United Nations was vulnerable to the strongest pressures. Efforts to enhance the role of the Council had nevertheless continued. Council resolutions 1988/77 and 1989/114, like other resolutions and decisions before them, were designed to implement organizational changes and to establish mechanisms and procedures to strengthen the Council's capabilities. The Secretary-General's report (E/1990/75), which gave examples of specific measures already taken, noted that the changes had been positive but were still inadequate.

86. His delegation fully supported that assessment. However, it did not support the idea, suggested in the report, that all that was needed was a recasting of the concepts underlying operation of the Council. In his delegation's opinion, those concepts were clearly set forth in the Charter of the United Nations and had been elaborated on in many resolutions and decisions. To change them would entail a revision of the Charter affecting the entire Organization.

87. It had to be recognized that the effectiveness of the Council, of the United Nations or of any other body concerned with economic and social co-operation for development necessarily depended on the existing political situation. Consequently, the Council could not ensure more effective co-operation that was better suited to the

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[3] *Official Records of the Economic and Social Council, 1988 Plenary Meetings*, vol. II, 30th meeting, para. 18.

needs of the developing countries if such co-operation was limited by Governments at the start.

88. Where there was a political will, the Council could give impetus to the most innovative ideas and tackle the most arduous problems: that was clearly shown, for example, by its consideration of the theme relating to the impact of the evolution of East-West relations on the growth of the world economy, which had given rise to a fruitful exchange of views and to useful preparations for the in-depth consideration of the theme in 1991. However, issues of vital importance for the developing countries remained in abeyance for years and generally became bogged down in sterile documents and decisions.

89. Furthermore, it seemed that an attempt was being made to impose certain conditions on the Council. It was disturbing to note that each co-operation programme was now accompanied by conditions in the political, economic, social and even property fields which encroached on the sovereignty of the developing countries. It would appear that the Council itself would have to undergo an adjustment in order for it to be able to carry out the functions legitimately assigned to it under the Charter of the United Nations. Such a state of affairs was, of course, a cause of concern for his delegation, which supported the revitalization process envisaged by the Council and the General Assembly and considered that the implementation of Council resolutions 1988/77 and 1989/114 was the most appropriate way of bringing it to a successful conclusion at the institutional level. Even if international economic relations were evolving in terms of the new realities of the world economy, the most important point was to preserve the principles which had given rise to the establishment of the Council with a view to encouraging world economic growth, particularly in the developing countries.

90. Mr. MATUS (Observer for Chile) said that, since the analysis of economic and social questions in the United Nations system was primarily the responsibility of the Council, the latter needed to be strengthened and revitalized. In the new orientation to be given to the Council's work, the selection of issues was of particular importance and urgency. For example, the theme relating to the impact of the recent evolution of East-West relations on the growth of the world economy had given rise to a preliminary informal exchange of views which had been extremely fruitful and on which written conclusions would be welcome. In that connection, his delegation supported the suggestion, made in paragraph 9 of the Secretary-General's report (E/1990/75), that two or three eminent scholars from inside or outside the United Nations system should be invited to participate in the informal exchanges of views.

91. Since the multi-year work programme was a provisional arrangement that ought to be reviewed every year in order to give the Council the necessary drive and flexibility, his delegation proposed that the theme entitled "The international trade system and its impact on the development of the developing countries", which had originally been scheduled for 1992, should be considered in 1991. The Uruguay Round of multilateral trade negotiations would have been concluded by then and the Council could usefully devote part of its session to analysing the results. If it was intended to confer greater authority on the Council, its deliberations must be concerned with questions of current general interest. A review of the results of the Uruguay Round of multilateral trade negotiations would fully meet that criterion, especially if, as the Secretary-General had suggested, Member States were to meet for that purpose at the highest political level two days before the general discussion. Such a review would no doubt go beyond the limits of a mere evaluation and could lead to specific political decisions having operational effects.

92. The Council's monitoring function should be strengthened to enable it to play a more active role in periodic reviews of the progress made in implementing the international development strategy.

93. Mr. MARKS (United States of America) said that his country took a strong interest in the Council's revitalization process, which was an integral part of the efforts being made to achieve greater coherence in United Nations activities in the economic and social field. The United States wanted to co-operate and participate with others in improving the Council's capacity to meet the challenges it faced. In that connection, the Secretary-General's report (E/1990/75) provided some useful insights on the implementation of the relevant Council resolutions and decisions.

94. The reform of the Council must be carried out at three levels: first, the Council itself, as a macro-intergovernmental organization; secondly, internal structural and functional questions, including, for example, the consolidation of subsidiary bodies; and thirdly, co-ordination aspects, including the role of bodies such as ACC, CPC and ACABQ, and operational activities.

95. The Council, which was responsible for making a thorough study of complex and pressing problems, had a unique opportunity to enlighten the General Assembly in its consideration of economic and social questions by pleading the case of those who benefited from the work done by the specialized agencies. Even more important was the Council's potential role in co-ordinating the activities of the specialized agencies. However, as everyone admitted, the Council was not meeting those responsibilities adequately. It must therefore revitalize its managerial aptitude and return to the injunctions of the Charter of the United Nations. In so doing, it must co-operate with the different agencies in the intergovernmental machinery and with the Secretariat, all of which had an interest in the success of its co-ordination efforts. Hence the need for a common political will.

96. For that purpose, the Secretary-General should include in the report which he was to submit on the subject some specific measures concerning the management of the various Secretariat units and of the intergovernmental machinery in the economic and social sectors. Such measures might relate to structural and functional matters, including the organization of the

Secretariat, the consolidation of subsidiary bodies and the rationalization and reduction of documentation.

97. Policy formulation was rightly the central element of the Council's work programme. In that connection, the informal thematic analyses represented a useful contribution to the in-depth consideration of major policy issues and the incorporation of that technique could be provided for in the agendas of future sessions of the Council. A second appropriate subject should be selected at the forty-fifth session of the General Assembly or at the Council's organizational session in 1991. Meanwhile, the Council could, as from the present session, build upon the positive momentum it had been given and draw up a work programme for its own revitalization. For its part, the General Assembly could, at its forty-fifth session, consider the various proposals on revitalization to be made by the Council itself and by other bodies.

98. It was to be hoped that the thematic analyses requested in Council resolution 1988/77 for the in-depth consideration of major policy themes would constitute an appropriate way of providing information on the measures taken by the specialized agencies to give effect to the recommendations made by the General Assembly and the Council. In 1991, the Council should also consider establishing a specialized committee to serve as a preparatory committee on revitalization, with a mandate to consider concurrently the suggestions made by the General Assembly, the action to be taken on the report which the Secretary-General was to submit and any other relevant proposal. In 1992, the Council could devote a kind of special session to the consideration of the progress made towards its revitalization.

99. The General Assembly could extend the time allowed to the Council by three or four days to enable the Council's institutional bodies to submit their comments so that members of the Council could consult and question them and make recommendations to them. The General Assembly could also hold its special sessions on economic and social matters such as narcotics and international economic co-operation within the framework of the Council, which would devote an appropriate amount of time to them during its session, after turning itself, for that purpose, into a committee of the whole open to participation by all Member States.

100. In performing its reviewing role, the Council must not undercut the decisions taken by the governing bodies of the specialized agencies and of other autonomous bodies within the United Nations, but it must urge them not to engage in activities that might diminish their capacity to provide essential technical assistance within their spheres of competence.

101. A consensus seemed to have emerged during the discussion on the general objectives to be pursued by the Council. As the representative of Mexico had put it so well, the Council had to formulate policies on priority subjects, to ensure co-ordination and to apply itself to the reorganization of its work. The revitalization process must be activated and put into effect without further delay.

102. Mr. RIFAAH EL TAHTAWI (Observer for Egypt) said that he had taken note with satisfaction of the recommendations by the task force on documentation (E/1990/93) and of the report of the Secretary-General (E/1990/75). He also drew attention to the excellent study by JIU.[4] In his opinion, that study could facilitate the consideration of issues relating to revitalization and rationalization during forthcoming negotiations and consultations. The Secretariat might therefore wish to make it available to delegations, if possible.

103. The PRESIDENT announced that the Council had concluded its consideration of agenda item 3.

The meeting rose at 1.15 p.m.

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[4] See footnote 2 above.

30th meeting

Monday, 16 July 1990, at 3.15 p.m.

President: Mr. Chinmaya Rajaninath GHAREKHAN (India)

E/1990/SR.30

AGENDA ITEM 2

General discussion of international economic and social policy, including regional and sectoral developments (*continued*)*

1. Mr. KUDRIAVTSEV (Union of Soviet Socialist Republics), introducing the draft resolution entitled "Role of the United Nations in the early identification, analysis and forecasting of world economic developments" (E/1990/L.36), said that the effort initiated two years earlier to strengthen United Nations activities aimed at forecasting world economic developments had proved useful in identifying the possibilities and helping the Secretariat to analyse changes and trends in the world economy. Such work would help intergovernmental bodies to react more quickly to economic and social processes throughout the world and bring the Council's discussions into closer touch with the realities of modern life.

2. The draft resolution was a logical continuation of the earlier resolutions on the subject which the Council had adopted by consensus. It took account of the work already undertaken, confirmed the Secretariat's existing mandate and called for further measures to improve the work in progress in the United Nations system. Particular attention was given to improved co-ordination among the secretariats concerned. Greater exchange of information among the bodies of the system would enhance the effectiveness of their work.

3. The draft resolution would not entail extra expenditure. It was envisaged that the work would be carried out within existing resources.

4. Mr. NAVAJAS MOGRO (Observer for Bolivia), speaking on behalf of the Group of 77, introduced the draft decision entitled "Strengthening multilateral co-operation in international economic affairs" (E/1990/L.37), which called for the inclusion of an item on strengthening multilateral co-operation in the provisional agenda for the second regular session of the Council in 1991. The item would be considered on the basis of a report to be prepared by the Secretary-General in accordance with Council resolution 1989/111 and would be brought to the attention of other bodies. The Group of 77 considered multilateralism to be the foundation of international relations and wished to discourage tendencies towards discrimination or unilateralism.

AGENDA ITEM 7

Development and international economic co-operation (*continued*)**:

(*h*) Implementation of the Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries (*continued*)***

5. Mr. NAVAJAS MOGRO (Observer for Bolivia), speaking on behalf of the Group of 77, said that draft resolution E/1990/L.35 was intended to keep the Declaration in General Assembly resolution S-18/3 before the Council and ensure its implementation. The draft recommended that an item on the subject should be included in the agenda of the forty-fifth session of the Assembly. It further recommended that governing bodies of the organs, organizations and bodies of the United Nations system should include the question of the implementation of the Declaration in their agendas and report to the Council on the steps taken to ensure implementation.

AGENDA ITEM 4

Permanent sovereignty over national resources in the occupied Palestinian and other Arab territories

6. Mr. OZADOVSKY (Ukrainian Soviet Socialist Republic) said that over the years there had been no improvement in the situation of Palestinians in the occupied territories of the West Bank, the Gaza Strip or East Jerusalem. On the contrary, they had suffered large-scale violations of their inalienable rights and Israel had endeavoured to incorporate vitally important sectors of the Palestinian economy in its own economy.

7. The international community had paid particular attention to the legal and political aspects of the problem, and the reports of the various bodies that had examined the situation left no room for doubt as to its tragic nature.

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* Resumed from the 28th meeting.

** Resumed from the 27th meeting.

*** Resumed from the 26th meeting.

Israel controlled some 55 per cent of the land in the West Bank and 33 per cent in the Gaza Strip. The question was not purely economic but was a political problem that would continue so long as Israel continued to occupy the territories and so long as it failed to implement the relevant United Nations resolutions and decisions.

8. The living standards of the Palestinian people had fallen by some 50 per cent and economic activity by 30 per cent over the past two years. Statistical data on comparative incomes in Israel, the West Bank and the Gaza Strip testified to the low level of economic development in the occupied territories. The question of water resources was a matter of particular concern. In the Gaza Strip, for example, the indigenous population was allowed to use no more than 200 cubic metres of water a head per annum, whereas Israeli settlers could use 15,000 to 30,000 cubic metres. A further matter of serious concern was the poor development of the infrastructure and road networks in the Palestinian territory.

9. A realistic settlement of the Palestinian problem could only be brought about by goodwill on the part of all parties to the conflict. The peace initiative by the PLO, together with the support given to the Palestinian people in the United Nations and the constructive steps taken by various Arab States, had been obstructed. As a member of the Committee on the Exercise of the Inalienable Rights of the Palestinian People, his country had repeatedly called for rapid and substantial progress towards a settlement of the Middle East problem. An international conference on the Middle East could help to solve not only the political but also the socio-economic aspects of the problem.

10. The international community should patiently work towards a mutually acceptable solution, taking due account of the legitimate interests of all concerned. The United Nations had the potential and machinery needed to bring about a just political settlement allowing the Palestinian people to exercise their inalienable rights, including their right to establish a sovereign Palestinian State.

11. Mr. KAMAL (Bahrain) said that the Council was being forced to revert to the topic of the living conditions of the Palestinian people as a result of Israeli persistence in refusing to abide by General Assembly resolution 44/235 and Council resolution 1989/96, calling for an end to the inhuman practices directed against the just uprising of the Palestinian people in search of an end to the Israeli occupation and the resumption of sovereignty over their own national resources. Israeli actions were preventing the Palestinian people from making use of their natural resources and from marketing their export products. Israel was also preventing them from obtaining economic and social assistance from abroad, thus increasing their hardships.

12. His delegation appealed to the international community to give due consideration to the Secretary-General's proposals to provide the Palestinian and other Arab peoples in the occupied territories with assistance to raise their steadily deteriorating standard of living. Action should be taken to impose economic sanctions on Israel and provide protection for the people.

13. FAO and the other specialized agencies must assume their responsibility for providing assistance to the Palestinian people in the occupied territories through effective co-operation with the PLO. Trade concessions and concrete preferential measures should be accorded to Palestinian exports on the basis of Palestinian certificates of origin.

14. The United Nations should exert pressure on Israel to raise its embargo on Palestinian export products and to allow the agencies of the United Nations system, in particular UNDP, to carry out their programmes. A Palestinian development bank should be set up in the occupied territories to promote investment, production and employment and to increase per capita income. It was vital for the Israeli practices aimed at depleting the resources of the occupied territories and depriving the inhabitants of their sovereignty and authority over their land and natural resources to be ended. Israeli plundering of those resources had led to a serious situation in terms of human relations, which in turn had had a negative impact on regional peace and security.

15. His delegation appealed to the United Nations to impose economic sanctions on Israel if it persisted in that policy. The only appropriate solution was to end Israeli domination and to restore independence and their inalienable rights to the Palestinian and other Arab peoples of the occupied territories through an international conference on the situation in the Middle East.

16. Ms. CHAALAN (Observer for the Syrian Arab Republic) said that her delegation was deeply concerned at the Secretary-General's failure to submit the report on Israeli land and water policies and practices in the occupied Palestinian and other Arab territories called for in Council resolution 1989/86 and wished to be informed of the precise reasons for that failure.

17. In previous statements to the Council, her delegation had expressed its keen concern at the appalling deterioration in the living conditions of the Arab population in the West Bank, the Gaza Strip and Syrian Arab Golan as a result of Israel's systematic policies to ensure its full hegemony over the economies and resources of the territories and the destinies of their population. The confiscation of Arab land, the establishment of Jewish settlements, the seizure of water resources, the expulsion of the Arab population and the settlement of Zionist immigrants were the main pillars of Israeli policy aimed at changing the demographic and cultural characteristics of the territories with a view to their gradual Judaization and ultimate annexation. The West Bank and Gaza had been subjected to Israel's jurisdiction and East Jerusalem had been annexed and designated the unified and eternal capital of Israel. Those measures had been followed by the *de facto* annexation of the Syrian Arab Golan and the application of Israeli legal and administrative jurisdiction to the territory in defiance of international law and United Nations resolutions.

18. Information from both Arab and Israeli sources indicated that 52 per cent of the total area of the West Bank and 42 per cent of the Gaza Strip—largely fertile agricultural land—had been confiscated under military orders, with no right of appeal for the owners of the land, and that land in other areas had been seized fraudulently. The confiscated lands were used for military purposes or the establishment or expansion of Zionist settlements. There were now 204 settlements in the West Bank and 33 in the Gaza Strip, and the number of Jewish settlers had reached 86,000.

19. Despite the tension, the continuation of the uprising and repeated condemnation by the Security Council, the Israeli occupation authorities had relentlessly pursued their settlement policy. In its report,[1] the Special Committee to Investigate Israeli Practices Affecting the Human Rights of the Palestinian People and Other Arabs of the Occupied Territories had drawn attention to the consequences of the annexation policy and the agreement between the Israeli Labour and Likud parties to establish eight new settlements on expropriated Arab land and to force Palestinians to leave. The Committee had affirmed[2] that Israel was violating its obligations as a party to the fourth Geneva Convention relative to the Protection of Civilian Persons in Time of War.

20. Israel exercised strict control over water resources in the occupied territories and had diverted water from the West Bank for use in Israel and the Zionist settlements in the occupied West Bank. Palestinians were allowed to use only 120 million cubic metres of water, compared with 560 million cubic metres allowed to Israelis, and the Israeli occupation authorities had issued military orders under which any Arab using more than the strict ration was liable to imprisonment or heavy fines. Israelis had demolished Arab wells and drilled deep artesian wells which depleted the sources formerly used by Arab farmers. They had also resorted to systematic theft of water in southern Lebanon, particularly from the waters of the Litani River.

21. Israel had made the Palestinian economy totally dependent on its own economy, preventing any economic or social development in the occupied territories and disrupting the agricultural, industrial, commercial and financial sectors.

22. In addition to violating the Palestinians' economic, social and cultural rights, the Israeli authorities had violated all their basic human rights, including the right to life, and had engaged in all forms of terrorism against them. The repression had been intensified in an attempt to crush the Palestinian uprising, now in its thirty-third month. The Special Committee's latest report showed that the situation had become explosive, with mass killings of Palestinians, mass arrests, persecution, deportation and collective punishment. The massacre of unarmed Arab workers on 20 May 1990, in which 39 people had died and many more had been injured, was a telling example of the odious Israeli practices designed to force the Palestinians to leave their homeland and to promote Jewish settlement. There had been massive influxes of Soviet and East European Jews following their rejection by the United States of America and the declared determination of the Prime Minister of Israel, Mr. Shamir, to settle them in the occupied territories as part of his "Greater Israel" plan, in flagrant violation of the fourth Geneva Convention. In addition to the extensive damage caused to development in the occupied Arab territories, the policy violated the territorial rights and right to self-determination of the Palestinian people, including their right to establish their own independent State on their national soil and the right of refugees to return to their homes. Israel's expansionist policy posed a threat to neighbouring Arab States and had been condemned by the international community.

23. The explosive situation in the Middle East, and the increased sufferings of the Palestinian people as a result of Israel's attempts to crush the uprising, called for greater resolve by the international community to compel Israel to refrain from its unjust practices. The only solution was Israel's complete withdrawal from all the occupied territories and the exercise by the Palestinian people of their legitimate rights. The convening of an international peace conference on the Middle East under United Nations auspices and with the participation of the permanent members of the Security Council and all the parties to the conflict, including the PLO, would be the sole means of establishing a just, lasting and comprehensive peace.

24. Mr. SHLOMO (Observer for Israel) regretted that the Council's attention was being diverted from issues which were of vital concern to more than half the world in order to satisfy the narrow interests of a certain group of countries and serve as yet another futile political exercise.

25. His Government would welcome a sincere discussion that would really set as a target the improvement of the living standards of the Palestinians, as opposed to a debate used merely as another pretext for anti-Israeli decisions. Any sincere discussion would prove the outstanding effort made by Israel to modernize a society which, under Arab control before 1967, had suffered from sluggish growth and high unemployment, poor social services and not a single university. Since 1967, the territories had experienced unprecedented economic growth. Per capita GNP in 1987 had been $1,730, well above the $1,640 of Jordan and the $1,560 of the Syrian Arab Republic for the same year. Despite the intifada, 170,000 tons of agricultural produce had been exported from the territories through Jordan. Furthermore, Israel had permitted direct export from the territories to the European Community, which had expressed satisfaction at the growth in exports of agricultural produce. Despite the disturbances in the territories, UNDP, in coordination with Israel, had been carrying out projects valued at approximately $15 million, including projects for water and sewerage, medical services and industry,

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[1] A/44/352, para. 267.

[2] See A/44/599, para. 330.

all destined to improve the living standards of the population.

26. Unfortunately, the current deliberations failed to meet the definition of a sincere discussion. Clearly, the immediate need was for more financial resources to be channelled through UNDP in order to enhance development in the territories. Israel had done its fair share, but its resources were meagre. The countries currently attempting to sidetrack the debate, however, enjoyed a legendary income, but preferred to invest it in other areas, such as the arms race. In 1988, the income of the Arab oil-producing countries in OPEC alone had been $156 million a day, totalling $57 billion a year.

27. The violence that had, existed in the territories since December 1987 had, unfortunately, changed the situation. Little could be done for economic development while rocks and petrol bombs were being thrown. The intifada was manifestly the opposite of development and only with the return of calm and stability would it be possible to renew the drive for the economic and social development to which all aspired. It was not his delegation's intention to argue that material well-being was an alternative to a political settlement. On the other hand, political manoeuvring could not be an alternative to the day-to-day well-being of the ordinary people.

28. Mr. NADIF (Jordan) said that, as a result of the concern expressed at the Council's second regular session in 1989 over the reports of the Secretary-General on Israeli trade practices in the Palestinian and other occupied Arab territories, the Council, by its resolution 1989/86, requested the Secretary-General to prepare a comprehensive report on Israeli land and water policies and practices and to submit it through the Council to the General Assembly at it forty-fifth session. His delegation regretted that the report had not been produced in time for discussion in the Council in connection with agenda item 4.

29. The topic was one of his delegation's priority concerns. The economy of the occupied territories had experienced great hardships ever since the 1967 war and those hardships had been increased by arbitrary Israeli action against the heroic Palestinian uprising, the intifada, now in its third year.

30. Israel had constantly sought to make the economy of the occupied Palestinian territory dependent on its own. It had reaped huge profits from exploitation of the territory's natural resources, in particular water resources. As a result, the Palestinian economy suffered from a fragile infrastructure and was incapable of self-sufficient development. The report of the UNCTAD secretariat to the Trade and Development Board at its thirty-sixth session on recent economic developments in the occupied Palestinian territory[3] revealed how far conditions there had deteriorated. Land and water were increasingly under Israeli control. Since 1967, the Israeli occupation authorities had taken over more than 52 per cent of the land on the West Bank and 30 per cent of the Gaza Strip. Between May 1989 and the end of April 1990, the Israeli authorities had confiscated a further 65,843 dunums of land, greatly reducing the area available for agriculture.

31. The occupation authorities were also exploiting the water resources of the West Bank and Gaza Strip. Of the 800 million cubic metres of water available annually, the Palestinians were allowed to exploit only 110 million. Thus, one and a half million Palestinians were allowed only 14 per cent of their own water resources. The occupation authorities had also taken over underground water resources and were rationing water for irrigation and prohibiting the digging of wells.

32. The annexation of vast tracts of land in the occupied territories was part of the Israeli policy of settlement, aimed either at expanding the settlements already established or building new ones to accommodate the further Jewish immigrants expected to come from the Soviet Union and Eastern Europe in the course of the next year. The Israeli authorities had recently announced the start of work on three new settlements in Jerusalem and a further eight in other parts of the occupied territories. They were also carrying out a large-scale scheme to channel water from the Litani river, whose entire course was on Lebanese territory.

33. His delegation trusted that the Council's consideration of the present item would be followed by action by the international community to put an end to the occupation authorities' arbitrary practices.

34. Mr. YOUNIS (Iraq) said that the Council had been dealing with the question of permanent sovereignty over national resources in the Palestinian and other occupied Arab territories for many years. A large number of reports had been produced by international bodies in accordance with General Assembly resolutions drawing attention to and condemning unlawful Israeli practices in the occupied territories. Those practices had become part of the whole expansionist, Zionist policy pursued by Israel and were plain for the whole international community to see.

35. In its resolution 1989/86, the Council had requested the Secretary-General to prepare a comprehensive report on Israeli land and water practices and policies in the occupied territories. In the annotated provisional agenda (E/1990/92), it was indicated that a report was expected under item 4, to be circulated as document E/1990/83. It was strange that delegations had not received that report with the remainder of their documentation so as to be able to study and comment on it. No explanation had been given and the note by the Secretary-General that had been issued as document E/1990/83 merely noted that the report, when completed, would be submitted to the General Assembly at its forty-fifth session. His delegation found it highly regrettable that the report had not been made available to the Council and regarded the failure to issue it as a violation of the resolution and as undermining the credibility of the Secretariat. A clear and adequate explanation was required.

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[3] TD/B/1221.

36. The question of Israeli land and water practices in the occupied territories had been examined on many occasions and, despite the absence of the report, he wished to remind members of the Council of a number of points. The information was familiar from Arab and international news media. The policy of land seizures in the West Bank and Gaza Strip and in the Golan Heights was based on many Israeli military laws and orders. More than 1,200 such orders had been issued to date governing conditions in the territories. They gave the military governor full powers to sell and buy movable and real property, to confiscate land, use water resources and exercise control over municipal and village councils. Other legislation had been adopted to facilitate the settlement of Israeli Jews and Jews immigrating to Israel in the occupied territories where they set up Jewish regional councils. Recently published statistics indicated the situation that existed since the increased flow of immigration from Eastern Europe and the Soviet Union. The area of land seized so far was more than 3 million dunums in the West Bank and 150,000 dunums in the Gaza Strip, meaning that 80 per cent of the West Bank was in Israeli hands as was 30 per cent of the Gaza Strip. The occupation authorities had established some 300 settlements. Clearly, the economic and social consequences of that policy of land seizure had been very serious and damaging to the population of the territories. Deprived of the land they used to cultivate for a living, their life and future were threatened. More than 30,000 fruit trees had been uprooted from land taken over by force, and 100 villages were affected by such measures every year. Those facts made it clear how serious the situation would be if such unlawful and inhuman practices were allowed to continue.

37. The abundant published material on water use in the occupied territories showed that the effects of the expropriation of regional water resources were as serious as those of land confiscation. The Palestinian people were being denied the use of their own water resources, which were under the absolute control of the occupying military governor. Military orders prohibited Arab individuals and associations from exploiting surface or ground water sources without the authorization of the military governor. The diversion of water for the use of Israel and the Israeli settlements in the occupied territories had caused an acute shortage in the West Bank and Gaza Strip and had severely affected agriculture. The fall in water levels in aquifers had caused wells to dry up and had produced other highly damaging effects.

38. Given the economic and human sufferings of the Palestinian people caused by Israel's land and water policies, it was easy to understand why the intifada was persisting in the occupied territories. The uprising, which was supported by the international community, was aimed at restoring the rights of the Palestinian and other Arab peoples to full sovereignty over their land and water resources. The scale of the tragic sufferings of the people of the occupied territories could not be obscured by the attempts of the Zionist entity to cover up the root cause, the need to restore the rights of the Palestinian people, their right to self-determination, and their right to set up an independent State on the land of Palestine under the leadership of the PLO, their sole legitimate representative.

39. Mr. ABU KOASH (Observer for Palestine) said that he shared the concern of previous speakers that the report requested under resolution 1989/86 had not been available for discussion in the Council.

40. The point had once again been made that the item on permanent sovereignty was being discussed over and over again in the Council. He would reply that those interested in seeing it disappear from the agenda could achieve that result by finding a just solution to the Palestinian question. So long, however, as Israel remained in occupation of southern Lebanon, the Syrian Golan and the West Bank, the item would remain on the agenda whether Israel liked it or not. There had been talk of alleged growth in the Palestinian economy, but was it conceivable that real growth could be achieved when more than 50 per cent of Palestinian land was confiscated and the use of some 90 per cent of its water resources restricted? And of what value were the claims of certain delegations that they were providing financial support to Palestine when Israel was obstructing the contribution of UNDP to development projects, such as the building of a cement works and a hatchery? The stark fact was that Israel was occupying Palestinian and Arab land, and no smooth words would disguise the fact that the aggressor remained the aggressor and the victim the victim.

41. There had also been talk of violence in the occupied territories, but one had to ask why violence occurred. Israel's policy of oppression was a prescription for revolt. It was natural that every people should seek to assert its freedom and rights. More basic even than questions of land and water practices was the fact of foreign occupation. At a time when occupation hardly existed elsewhere in the world, it existed in Palestine, and with the support of the United States of America. The Palestinian people wished to exercise sovereignty over their own land, the land of the State of Palestine, and had repeated that desire over and over again only to be met with a reiterated "no" to peace from Israel. It was a striking fact that the Israeli Government had collapsed because it was unwilling to tolerate any progress towards peace and reconciliation. Now that the wind of change was blowing throughout the world, even in South Africa, the time had surely come for Israel and its supporters to learn their lesson.

42. He wished to make it clear that his delegation's failure to acknowledge in the Second Committee the assistance received from certain countries was entirely due to an oversight, for which he offered apologies.

43. Mrs. BODINA (Union of Soviet Socialist Republics) said that her Government attached great importance to a just settlement of the Arab-Israeli conflict, which was causing the whole international community concern and distress. That would require guarantees of equal security and rights for all living in the region, above all the creation of the conditions for the achievement of self-

determination by the Palestinian people. She affirmed her Government's solidarity with the peaceful activities of the intifada, which symbolized the determination of the Palestinians to decide their own destiny. Since the beginning of the Palestinian uprising in the occupied West Bank and the Gaza Strip, the economic and social situation of the Palestinians had substantially worsened. The central problem was the complete absence of any guarantees of security, and the escalation of repression. Up to the end of May 1990, according to PLO figures, more than 1,200 peaceful inhabitants had been killed, 86,000 injured and 85,000 arrested. Every day saw the death of three Palestinians on average in the occupied territories. Renewed violence had broken out after 20 May, and dozens of people had been killed and hundreds injured. According to Amnesty International, half of the Palestinian victims had not been killed during the mass demonstrations. They had been killed without any reason and in violation of the fourth Geneva Convention. The practice had become widespread of beating up peaceful citizens, including many women, children and old people, even after they had been arrested, which was in flagrant violation of international norms. According to a report by the Ford Foundation, in the period from December 1987 to December 1989, 159 Palestinians under 16 had died by gunfire, from beatings or from the use of tear-gas.

44. Since 6 June 1989, the Israeli authorities had begun to issue magnetic cards to Palestinians in the Gaza Strip wishing to enter Israeli territory proper. Such a practice, which otherwise existed only in South Africa, was an act of political and economic discrimination and divided the population of the occupied territories into a privileged minority permitted to leave to seek work in Israel and a majority having no freedom of choice. The occupation authorities from time to time declared dozens of towns and villages in the territories closed military areas, which was tantamount to prohibiting the movement of people, imposing a blockade on food supplies, cutting off water supplies, and closing schools and hospitals. They had also closed all six universities, to the great detriment of the education of the rising generation of Palestinians.

45. The economic situation of the occupied territories during the intifada period had substantially deteriorated. Israeli exports to the West Bank and the Gaza Strip had fallen by 40 per cent, and imports of Palestinian goods by 48 per cent. All in all, the favourable Israeli balance of trade with the occupied territories had fallen from $76 million to $42 million. During the two years of the uprising the economic losses of the Palestinians in the occupied territories had totalled $2.1 billion ($2.3 billion according to PLO data). The Israeli authorities were refusing licences to the Palestinians to market their agricultural production, were cutting off electricity, and were restricting freedom of movement and the delivery of food supplies to the occupied territories. In violation of undertakings given to the EEC, Israel had continued attempts to sabotage the direct export of Palestinian agricultural produce to Western Europe and had, in November 1989, introduced new labelling requirements for Palestinian goods. In consequence the Palestinians' standard of living had fallen 40 per cent, and, according to estimates by Palestinian economists, no less than 50 per cent of Palestinians in the West Bank and Gaza Strip were living on the poverty line as a result of a 40 per cent decline in tourism and business activity. The incomes of those engaged in commerce had fallen by 60 per cent, and unemployment in some areas had increased from 5 per cent to 20 or 25 per cent.

46. The Soviet Union had never recognized and would not recognize the Israeli occupation of Palestinian territories since 1967 and called for its cessation in accordance with United Nations resolutions. It was resolutely opposed to Israel's settlement practices and called upon its Government to cease all measures to change the physical character, the demographic composition and the institutional structure or status of the occupied territories. In association with other countries, the Soviet Union had repeatedly condemned the illegal activities of Israel in establishing settlements in the occupied territories, and regarded them as a violation of the fourth Geneva Convention. The situation resulting from Israel's flouting of international law called for urgent attention by the Security Council.

47. The Soviet Union stood for the establishment of a stable peace in the Middle East based on recognition of the right of each people to self-determination, freedom of choice, national independence and sovereignty within internationally recognized frontiers. Armed forces and armaments should be reduced to the minimum required for defence and weapons of mass destruction should be barred. Peace should be based on mutually advantageous and complementary economic relations, contributing to a solution of internal social problems and the preservation of the environment to the advantage of all. It should also be based on tolerance and respect for human rights, freedom of belief and unimpeded access to holy places for people of all religions.

48. Such a settlement would only be attainable through concerted action by all participants in the conflict, including action through United Nations machinery. The main channel for a settlement remained an international conference with the participation of all interested parties, including the PLO and the five permanent members of the Security Council. The convening of an international conference on the Middle East was essential to a solution of the political as well as the social and economic aspects of the problem.

49. Mr. RIFAAH EL TAHTAWI (Observer for Egypt) said that the principle of permanent sovereignty over national resources was universally recognized by the international community. It proclaimed the right of every people to its own territory and resources and it could not be diminished by foreign occupation, whose existence was only temporary and based on no legitimate principle. The undaunted Palestinian people had shown their determination to affirm those rights through the intifada in which defenceless Palestinians faced the armed re-

pression of Israel. Moreover, the Israeli practices in the occupied territories were threatening the very existence of the Palestinian people just as surely as direct repression.

50. In its resolution 1989/86 the Council had requested the Secretary-General to prepare a comprehensive report on Israeli land and water policies and practices in the occupied Palestinian and other Arab territories for submission to the General Assembly through the Council. His delegation wished to express its regret that the Secretariat had been unable to comply with that request. If the report had been available, it would have provided an opportunity for the Council to discuss such matters as Israeli practices in irrigating their settlements, which could result in the salination of Palestinian water supplies and the depletion of underground reserves, which might eventually render Palestinian land unusable for cultivation. Such policies were clearly aimed at undermining Palestine agriculture and severing the link between Palestinians and their land, with the eventual objective of replacing them with Israelis. Among the data that the report might have brought to light were the facts that 85 per cent of Palestinian water resources were being used by Israel and that 40 per cent of total Israeli water consumption came from the occupied Palestinian territories. His delegation did not oppose the right to emigrate, which was a basic human right, but it could not accept that a State should be allowed to import migrants in order to settle them in territories which it did not own. The settlement of immigrants in the territories was the consequence of a military occupation condemned by the international community and was in violation of the rights guaranteed by the fourth Geneva Convention.

The meeting rose at 4.55 p.m.

31st meeting

Tuesday, 17 July 1990, at 10.15 a.m.

President: Mr. Chinmaya Rajaninath GHAREKHAN (India)

E/1990/SR.31

AGENDA ITEM 15

Report of the United Nations High Commissioner for Refugees

1. The PRESIDENT recalled that, in accordance with Council resolution 1623 (LI), the report of the United Nations High Commissioner for Refugees should be transmitted without debate to the General Assembly, unless the Council decided otherwise at the specific request of one of more of its members or of the High Commissioner at the time of the adoption of its agenda. Since no such request had been made he proposed that the Council should transmit the report directly to the General Assembly.

It was so decided [decision 1990/260].

2. The PRESIDENT also recalled that, at its first regular session, the Council had decided, by its decision 1990/258, to discuss the question of the composition of the Executive Committee of the Programme of the United Nations High Commissioner for Refugees under agenda item 15.

3. Mrs. ESCALER (Observer for the Philippines), referring to the note verbale, of 17 May 1990, addressed by her Government to the Secretary-General (E/1990/89), said that her delegation had submitted a draft resolution, entitled "Enlargement of the Executive Committee of the Programme of the United Nations High Commissioner for Refugees" (E/1990/L.38), to enable the Philippines to become a member. In that connection, she welcomed the agreement that appeared to have been reached, following in-depth consultations with the members of the Council, on the adoption of that draft resolution by consensus.

AGENDA ITEM 1

Adoption of the agenda and other organizational matters (*continued*)*

CAPITAL PUNISHMENT

4. The PRESIDENT recalled that, in its resolution 1990/29, the Council had requested the Secretary-General to submit a revised version of the fourth quinquennial report on capital punishment at its second regular session of 1990.

5. Mr. VETERE (Centre for Social Development and Humanitarian Affairs) introduced the report of the Secretary-General (E/1990/38/Rev.1 and Add.1) and referred to some of the activities relating to capital punishment that had been carried out in recent years. In 1988,

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* Resumed from the 27th meeting.

in accordance with section VI of Council resolution 1986/10, a report on extra-legal, arbitrary and summary executions and measure for their prevention and investigation[1] had been submitted to the Committee on Crime Prevention and Control at its tenth session. The report emphasized that international co-operation had a vital role to play in preventing summary executions and human rights violations in general and stressed the need to set international standards to ensure that investigations were conducted into all suspicious deaths, especially those suffered at the hands of law enforcement agencies.

6. On the basis of the Committee's recommendations, the Council had adopted its resolution 1989/65 containing the Principles on the Effective Prevention and Investigation of Extra-legal, Arbitrary and Summary Executions. Those principles had been adopted by the General Assembly in its resolution 44/162 and a manual had been prepared a few months previously with a view to their implementation.

7. At its tenth session, the Committee on Crime Prevention and Control had also had before it the report on the implementation of the safeguards guaranteeing protection of the rights of those facing the death penalty,[2] which had been submitted in accordance with Council resolutions 1984/50 and 1986/10. In addition, the study on the question of capital punishment and the new contributions of the criminal sciences to the matter, which had been prepared pursuant to resolution 1986/10, had been published, as a special issue of the *International Review of Criminal Policy*, in 1989 in accordance with resolution 1989/64. Its conclusions showed that, in many countries, the death penalty was still regarded as an antidote to crime problems, even though research had failed to prove that executions had a greater deterrent effect than life imprisonment.

8. The report submitted to the Council took account of all those studies and of the replies by Member States to a questionnaire. Despite the increase in the number of replies on which the revised report had been based, the fact remained that only about one third of the Member States had provided the information requested. The majority of the countries in favour of maintaining the death penalty had not replied. Moreover, no valid comparison could be made with the preceding report, since the countries which had provided replies were different. The review had nevertheless revealed significant trends, which were summarized in paragraphs 15 and 16 of the report. Seventy-seven countries had thus abolished the death penalty and, above all, 11 had done so during the period covered by the report, a record number by comparison with the periods covered in previous reports.

The meeting rose at 10.30 a.m.

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[1] E/AC.57/1988/5.

[2] E/AC.57/1988/9.

32nd meeting

Wednesday, 18 July 1990, at 10.20 a.m.

President: Mr. Chinmaya Rajaninath GHAREKHAN (India)

E/1990/SR.32

AGENDA ITEM 2

General discussion of international economic and social policy, including regional and sectoral developments (*continued*)*

1. Mr. de ACHA (Observer for Bolivia), speaking on behalf of the Group of 77, introduced the draft resolution entitled "Net transfer of resources from the developing countries" (E/1990/L.39). The draft resolution expressed the developing countries' concern about the net transfer of resources from developing to developed countries, the consequences of which were inevitably harmful to development. The *World Economic Survey, 1990* (E/1990/55) highlighted the causes of the phenomenon, which was so alarming that the Group of 77 was requesting the Secretary-General to submit to the Council at its second regular session of 1991 concrete proposals for effectively reversing it.

2. Mr. MARKS (United States of America) introduced the draft resolution entitled "Entrepreneurship as a means of attracting non-debt-creating flows of capital" (E/1990/L.40).

3. Countries the world over had become aware that the way to achieve development was through free enterprise and market opportunities. For the free enterprise system to prosper, economic agents should be prompted by an entrepreneurial spirit and entrepreneurs themselves

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* Resumed from the 30th meeting.

should devise and implement innovative methods which could easily be adapted to the market approach. A columnist writing in the newspaper *Le Monde* had recalled the lesson taught by Adam Smith, the English economist, 200 years previously, that the best way to achieve prosperity in a society was to allow each of its members to pursue his own interest as he understood it, noting that "Smith's innovation was in having shown that freedom to seek individual profit was also justified at the economic level".

4. In paragraph 24 of the Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, adopted by the General Assembly at its eighteenth special session (resolution S-18/3), the Member States said that "economic policies should have as their ultimate objective the betterment of the human condition and the enhancement of the contribution of all persons to development. The full utilization of human resources and the recognition of human rights stimulate creativity, innovation and initiative". It was precisely those qualities that revealed entrepreneurship and led to the success of the free enterprise system.

5. In his report on national entrepreneurs in economic development (E/1990/82), the Secretary-General gave a wealth of useful information that the United States delegation had included in its draft resolution. The international community had learned some lessons about economic and political development and it was time to apply them.

AGENDA ITEM 4

Permanent sovereignty over national resources in the occupied Palestinian and other Arab territories (*continued*)*

6. Mr. UMER (Pakistan) introduced the draft resolution entitled "Israeli economic practices in the occupied Palestinian and other Arab territories" (E/1990/L.43) sponsored by Algeria, Bahrain, Cuba, Egypt, Iraq, the Libyan Arab Jamahiriya, Mauritania, Pakistan, the Syrian Arab Republic, Tunisia and the Ukrainian Soviet Socialist Republic. In view of the fact that the report on Israeli land and water policies and practices in the occupied Palestinian and other Arab territories requested by the General Assembly and by the Council itself had not been submitted to the Council, the sponsors were requesting the Secretary-General to prepare it in time to submit it to the General Assembly at its forty-sixth session.

7. The sponsors amended the third preambular paragraph to read: "*Expressing its concern* that the report requested by the General Assembly in its decision 40/432 and by the Council in its resolution 1989/86 was not presented".

The meeting rose at 10.30 a.m.

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* Resumed from the 30th meeting.

33rd meeting

Thursday, 19 July 1990, at 10.20 a.m.

President: Mr. Chinmaya Rajaninath GHAREKHAN (India)

E/1990/SR.33

Expression of sympathy in connection with the recent earthquake in the Philippines

1. The PRESIDENT, speaking on behalf of the members of the Council, expressed to the Government and people of the Philippines its deep regret at the loss of human lives and the damage which had recently occurred as a result of the earthquake which had struck the Philippines.

On the proposal of the President, the members of the Council observed a minute of silence in tribute to the memory of the victims of the earthquake.

2. Mr. VILLARROEL (Observer for the Philippines) thanked the President, on behalf of his Government, for the expression of sympathy and said that he derived comfort from the prompt help which the entire international community had provided to his country. He thanked in particular the United States of America, Japan, Israel, Switzerland, Australia, Finland, the Federal Republic of Germany, the United Kingdom and Singapore for their generous donations. He also expressed his country's gratitude to UNICEF, WFP, WHO, UNDRO and UNDP for their rapid assistance to the Philippines.

AGENDA ITEM 1

Adoption of the agenda and other organizational matters (*continued*)*

CAPITAL PUNISHMENT (*continued*)*

3. Mr. SCIALOJA (Italy) introduced, on behalf of its sponsors, the draft resolution entitled "Capital punish-

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* Resumed from the 31st meeting.

ment" (E/1990/L.46). He pointed out that the revised version of the fourth quinquennial report of the Secretary-General on capital punishment (E/1990/38/Rev.1 and Add.1) reported in detail on the information which 60 Governments had sent to the Secretary-General in response to the questionnaire that had been addressed to them. He hoped that more Member States would respond to the questionnaire to be sent to them by the Secretary-General in preparation of the fifth quinquennial report. In accordance with Council resolution 1989/64, that report would also have to deal with the implementation of the safeguards guaranteeing protection of the rights of those facing the death penalty. He also drew attention to the fact that the Eighth United Nations Congress on the Prevention of Crime and the Treatment of Offenders was to consider the question of capital punishment under item 7 of its provisional agenda entitled "United Nations norms and guidelines in crime prevention and criminal justice: implementation and priorities for further standard-setting".

AGENDA ITEM 3

Revitalization of the Economic and Social Council (*continued*)**

4. Mr. NAVAJAS MOGRO (Observer for Bolivia) introduced, on behalf of the Group of 77, the draft resolution entitled "Special high level meeting of the Economic and Social Council in 1991" (E/1990/L.32). The preamble of the draft resolution referred in particular to paragraph 1 (*b*) of Council decision 1990/205 regarding the convening of a special meeting of the Council on 4 and 5 July 1991 to discuss the impact of the recent evolution of East-West relations on the growth of the world economy, in particular on the economic growth and development of the developing countries, as well as on international economic co-operation. To ensure the adequate preparation of that meeting, which would be the first of its kind, the Secretary-General was invited, in operative paragraph 2, to take all the necessary measures and to prepare an analytical report to serve as a basis for discussion. The Secretary-General was also invited, in paragraph 3, to convene an intergovernmental group of experts with a view to its making a contribution to the meeting. In paragraph 6, all Member States, as well as all observer States, were invited to be represented at the special high-level meeting at the ministerial level.

5. He then introduced, on behalf of the Group of 77, the draft resolution entitled "Revitalization of the Economic and Social Council" (E/1990/L.41). The draft resolution referred in its preamble to various Council resolutions, and to its decision 1990/205, on the revitalization of the Economic and Social Council. In operative paragraph 1, the Council stressed the need for speedy implementation of resolutions 1988/77 and 1989/114. In paragraph 2 it decided to review, at its second regular session of 1992, the implementation of the measures agreed upon for its revitalization, while in paragraph 3 it invited the President of the Council to undertake informal consultations on all relevant issues pertaining to the review of the implementation of the measures for the revitalization of the Council, and to submit an interim report to the Council at its second regular session of 1991.

AGENDA ITEM 15

Report of the United Nations High Commissioner for Refugees (*continued*)***

6. Mr. VILLARROEL (Observer for the Philippines) introduced, on behalf of its sponsors, draft resolution E/1990/L.38 (see 31st meeting, para. 3). The Philippines fully satisfied the criteria set out in the Statute of the Office of the United Nations High Commissioner for Refugees. The report of the High Commissioner (E/1990/60, para. 92) indicated that the Philippines had agreed to the setting up on its territory of a regional transit centre for resettlement processing, as well as a first-asylum camp. Having thus demonstrated its commitment to assistance to and protection of refugees, the Government of the Philippines now sought membership in the Executive Committee in order to co-operate more closely with the Office of the High Commissioner in seeking lasting solutions to the refugee problem.

AGENDA ITEM 2

General discussion of international economic and social policy, including regional and sectoral developments (*continued*)

7. Mr. BURKE (Ireland), speaking as Vice-President of the Council with responsibility for informal consultations, announced that the consultations he had held concerning the draft decision E/1990/L.33, introduced at the 28th meeting (para. 79), had resulted in general agreement. He therefore recommended the draft decision to the Council for adoption.

8. The PRESIDENT suggested, in the absence of objections, that the Council should adopt the draft decision.

The draft decision was adopted [decision 1990/261].

9. Mrs. WARD (Liberia) thanked the Council for having accepted the recommendation of CDP regarding the inclusion of Liberia in the list of the least developed countries. Liberia was at present in a particularly difficult economic situation. The country was experiencing a grave crisis which had caused the loss of many human lives, the destruction of infrastructure that was essential for development and the exodus of large numbers of people who would have to be resettled once peace was restored. The granting of least-developed-country status to Liberia therefore appeared amply justified. The Liberian Government undertook to carry out the necessary measures for the reconstruction of the country and the restoration of its economy.

The meeting rose at 10.40 a.m.

** Resumed from the 29th meeting.

*** Resumed from the 31st meeting.

34th meeting

Tuesday, 24 July 1990, at 10.15 a.m.

President: Mr. Chinmaya Rajaninath GHAREKHAN (India)

E/1990/SR.34

AGENDA ITEM 1

Adoption of the agenda and other organizational matters (*continued*)

CAPITAL PUNISHMENT (*continued*)

1. The PRESIDENT announced that Austria, France and New Zealand had joined the sponsors of draft resolution E/1990/L.46 which was introduced at the 33rd meeting (para. 3).

2. Mr. MAJOOR (Netherlands), Mr. HOLTHE (Observer for Norway), Mr. ANDRÉEN (Sweden) and Mr. BARKER (Observer for Australia) requested that the names of their delegations should be added to the list of sponsors of draft resolution E/1990/L.46.

3. Mr. BURKE (Ireland), speaking in his capacity as Vice-President of the Council with responsibility for informal consultations, said that, during the informal consultations on draft resolution E/1990/L.46, it had not been possible to reach a consensus on the proposals it contained.

4. Mr. AHMED (Bahrain), supported by Mr. AL-KHARASHI (Saudi Arabia), proposed that, in conformity with the majority position which had emerged during the informal consultations, draft resolution E/1990/L.46 should be referred to the Third Committee at the forty-fifth session of the General Assembly.

5. Mr. PETRONE (Italy) said that his delegation, which was a sponsor of draft resolution E/1990/L.46, had participated in the informal consultations on that text. It nevertheless had no recollection that a majority of the participants in those consultations had been of the view that the draft resolution should be referred to the Third Committee. In that connection, he drew the attention of the delegations of Saudi Arabia and Bahrain to paragraph 5 of the Council's annotated provisional agenda (E/1990/92), which indicated that, in its resolution 1990/29, the Council had requested the Secretary-General to submit to it, at its second regular session of 1990, a revised version of the fourth quinquennial report on capital punishment for its consideration. The Council had therefore clearly had the issue before it since its organizational session of 1990 and delegations were not unaware of that fact. His own delegation therefore requested that the Council should take action on the draft resolution as revised (E/1990/L.46/Rev.1).

6. Mr. YOUNIS (Iraq) endorsed the proposal by the representative of Saudi Arabia which had been supported by the representative of Bahrain. The draft resolution dealt with a social question, not an economic issue. His delegation had not participated in the informal consultations on the draft resolution because it considered that the issue did not come within the Council's competence at its second regular session. In its view, the draft resolution was within the competence of the Third Committee of the General Assembly. It proposed that, under rule 67, paragraph 2, of its rules of procedure, the Council should not take a decision on draft resolution E/1990/L.46/Rev.1.

7. Mr. AHMED (Bahrain) supported the motion by the Iraqi delegation.

8. Mr. PETRONE (Italy) said that his delegation was opposed to the motion by the Iraqi delegation.

9. Following a procedural discussion in which Mr. MARTIN (United Kingdom) and Mr. KUDRIAVTSEV (Union of Soviet Socialist Republics) took part, the PRESIDENT invited the members of the Council to vote on the procedural motion by the Iraqi delegation that the Council should not take a decision on draft resolution E/1990/L.46/Rev.1.

The motion was rejected by 18 votes to 11, with 9 abstentions.

10. Mr. FERNANDEZ COSSÍO (Cuba) said it was a matter of regret that, because of the difference of opinions on the issue whether the Council should or should not discuss and take a decision on the draft resolution, its text had not even been considered on first reading. His delegation therefore suggested that, before the draft resolution was put to the vote, it should be discussed on first reading, paragraph by paragraph. His delegation intended to submit an amendment which it had already discussed with some of the sponsors.

11. The PRESIDENT informed the representative of Cuba that, at the current stage, he could propose an oral amendment to the draft resolution.

12. Mr. FERNANDEZ COSSÍO (Cuba) proposed that operative paragraph 4 should make it clear that the non-governmental organizations invited by the Secretary-General to submit comments with a view to the preparation of the fifth quinquennial report on capital punishment should be those in consultative status with the Economic and Social Council. The last part of that paragraph should therefore read: "and to invite comments on

this question by specialized agencies, intergovernmental organizations and non-governmental organizations in consultative status with the Economic and Social Council".

13. Mr. PETRONE (Italy) said that, like the representative of Cuba, he regretted that the draft resolution had not received the attention it deserved. Mr. Burke, the Vice-President of the Council, and many of the sponsors of the draft resolution had, on a number of occasions, requested that it should be given detailed consideration, but their point of view had not prevailed during the informal consultations. That was why the Council now had to consider amendments in plenary.

14. It was unfortunately impossible to accept the amendment proposed by the Cuban delegation, as a number of very important non-governmental organizations were not in consultative status with the Council.

15. Mr. FERNANDEZ COSSÍO (Cuba) said he regretted that the clarification which he had suggested for inclusion in paragraph 4 of the draft resolution and which was, moreover, quite commonly found in similar United Nations texts, particularly those of the Council, had not been acceptable to a group of the sponsors. It would also have made the draft resolution more acceptable to countries which did not know exactly which type of non-governmental organization was meant.

16. Mr. PETRONE (Italy) assured the Cuban delegation that it was certainly not the intention of the sponsors of the draft resolution to equate non-governmental organizations in consultative status with the Council with those which did not have such status. Their intention was to ensure that participation in the consultation process to be undertaken by the Secretary-General was not restricted to non-governmental organizations in consultative status. By way of a compromise, he asked whether the Cuban delegation could agree that the end of its amendment should read: ". . . and non-governmental organizations, in particular those in consultative status with the Economic and Social Council".

17. Mr. FERNANDEZ COSSÍO (Cuba) said that groups calling themselves non-governmental organizations could create problems for some States. For that reason, he had to insist that the non-governmental organizations to be consulted by the Secretary-General should be those which were generally recognized by the United Nations and, as such, enjoyed consultative status with the Council.

18. Mr. KUDRIAVTSEV (Union of Soviet Socialist Republics) and Mr. EL GHAOUTH (Observer for Mauritania) supported the amendment proposed by the Cuban delegation.

19. Mr. YOUNIS (Iraq) said that the abolition of capital punishment was contrary to Islamic law and to the legislation in force in Iraq. As some provisions of the draft resolution might result in the establishment of procedures which could lead to the abolition of capital punishment, his delegation would not take part in the votes to which the draft resolution might give rise or in the procedures which might follow its possible adoption.

20. Mr. EL GHAOUTH (Observer for Mauritania), referring to rule 72, paragraph 3, of the rules of procedure of the Council, proposed three amendments to the draft resolution and requested that the amendments should be put to the vote.

21. First, he proposed that the following new operative paragraph should be added:

> "*Reaffirms* the right of countries to choose freely and without foreign interference their religious, legal and institutional system."

Secondly, the word "interested" should be added before the words "Member States" in the first line of operative paragraph 1. Thirdly, he proposed that the words "bearing in mind the diversity of existing systems" should be added at the end of operative paragraph 6.

22. The PRESIDENT, replying to a procedural question raised by Mr. AHMED (Bahrain), said that the Council was currently considering draft resolution E/1990/L.46/Rev.1 and that delegations had the right to propose any amendments they deemed appropriate. He announced that he would first put the various amendments to the vote and then the draft resolution as a whole.

23. He put to the vote the amendment by the representative of Cuba that the last part of operative paragraph 4 should read: "and to invite comments on this question by specialized agencies and intergovernmental and non-governmental organizations in consultative status with the Economic and Social Council".

The Cuban amendment was adopted by 19 votes to 12, with 7 abstentions.

24. The PRESIDENT recalled that the amendments proposed by the observer for Mauritania should, in accordance with the provisions of rule 72, paragraph 3, of the rules of procedure of the Council, be put to the vote at the request of a member of the Council.

25. Mr. FERNANDEZ COSSÍO (Cuba) supported the amendment by the observer for Mauritania to operative paragraph 1 of the draft resolution and requested that it should be put to the vote.

26. The PRESIDENT put to the vote the amendment by the observer for Mauritania that the word "interested" should be added before the words "Member States" in the first line of operative paragraph 1.

The amendment by Mauritania was rejected by 16 votes to 6, with 16 abstentions.

27. Mr. AHMED (Bahrain) said that his delegation had not participated in the vote which had just taken place. In that connection, he recalled that, at the first regular session of the Council, it had adopted the position that it would not participate in the vote on a draft resolution relating to questions linked to the abolition of capital punishment. It was out of the question to abolish capital punishment in Bahrain, as that would be contrary to the

Islamic laws and doctrine in force in the country. Consequently, his delegation would also not take part in the vote on the draft resolution as a whole.

28. The PRESIDENT put to the vote the draft resolution as a whole, as amended.

Draft resolution E/1990/L.46/Rev.1, as amended, was adopted by 26 votes to 1, with 14 abstentions [resolution 1990/51].

29. Mr. PETRONE (Italy), speaking in explanation of vote on behalf of the sponsors of the draft resolution, regretted that the resolution on capital punishment had not been adopted by consensus, since it mainly involved a procedural question. In fact, as the Council had before it a new report of the Secretary-General on capital punishment (E/1990/38/Rev.1 and Add.1), it had to take a decision on the matter.

30. The first version of the report had contained a number of errors and included only 43 replies to the questionnaire which had been sent to Member States. It was a matter of satisfaction that the new version was more accurate and that about 60 Governments had replied to the questionnaire. He hoped that the fifth quinquennial report, which would be submitted to the Council in 1995, would also deal with the implementation of the safeguards guaranteeing protection of the rights of those facing the death penalty.

31. Mr. AL-KHARASHI (Saudi Arabia) said that the result of the vote had shown that many delegations had difficulties in accepting the proposed text. His delegation had voted against the draft resolution because it was convinced of the need to apply the principles of God's Sharia. Capital punishment had been imposed not by the people but by God himself, in order to safeguard society and the welfare of human beings. The crime rate in Saudi Arabia was accordingly low and the country could be considered one of the safest in the world, even though it had implemented radical economic changes in recent years. Saudi Arabia was proud to apply capital punishment in accordance with Islamic law. Persons facing the death penalty nevertheless enjoyed guarantees for the protection of their rights and Islamic law guaranteed a fair trial and prohibited torture.

32. In order to illustrate the usefulness of capital punishment, he pointed out that Saudi criminal legislation provided for the application of the death penalty to drug traffickers. After it had been applied for the first time in 1989, the authorities had noticed a two-thirds reduction in drug trafficking in the country and they expected the decline to continue.

33. Mr. BURKE (Ireland) said that his delegation had been particularly happy to vote in favour of the resolution which had just been adopted, for a law providing for the total abolition of capital punishment had entered into force in Ireland on 11 July 1990. As stated in the report of the Secretary-General, Ireland was one of those countries which had long since abolished capital punishment *de facto*. His Government would provide detailed information on its new legislation when it replied to the questionnaire to be addressed to it by the Secretary-General in connection with the preparation of the fifth quinquennial report on the issue.

34. Mr. UMER (Pakistan) said that he had not participated in the vote, first, because capital punishment was provided for in the Pakistani penal code and, secondly, because he considered that the text should have been submitted to the General Assembly, since it related primarily to a report of the Secretary-General that would not be submitted until 1995.

35. Mr. EL GHAOUTH (Observer for Mauritania) said that he had not objected to the President's interpretation of rule 72, paragraph 3, of the rules of procedure of the Council so as not to delay the work of the Council unduly. According to that interpretation, a proposal by an observer could not be voted on unless it was submitted by a member of the Council. He was not sure that such a restriction was implicit in the rule in question and he would look for precedents in the practice of the Council that might prove him right.

CONVENING OF AN INTERNATIONAL MEETING ON POPULATION IN 1994 (*concluded*)*

36. Mr. BURKE (Ireland), speaking in his capacity as Vice-President with responsibility for informal consultations, said that the informal consultations on draft decision E/1990/L.49 had led to a consensus; he therefore recommended that the Council adopt the draft decision.

Draft decision E/1990/L.49 was adopted [decision 1990/262].

AGENDA ITEM 2

General discussion of international economic and social policy, including regional and sectoral developments (*continued*)

37. Mr. BURKE (Ireland), speaking in his capacity as Vice-President with responsibility for informal consultations, said that the informal consultations held on the basis of draft resolution E/1990/L.36, which had been introduced at the 30th meeting (para. 1), had led to a consensus on draft resolution E/1990/L.45, which he therefore recommended for adoption by the Council.

38. Mr. KUDRIAVTSEV (Union of Soviet Socialist Republics) recalled that his delegation had been the sponsor of draft resolution E/1990/L.36, on the basis of which informal consultations had made it possible to prepare draft resolution E/1990/L.45; the latter was entirely satisfactory to his delegation, which welcomed the constructive spirit in which the consultations had been held.

Draft resolution E/1990/L.45 was adopted [resolution 1990/52].

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* Resumed from the 27th meeting.

39. The PRESIDENT said that, in view of the adoption of draft resolution E/1990/L.45, draft resolution E/1990/L.36 had been withdrawn by its sponsor.

40. Mr. BURKE (Ireland), speaking in his capacity as Vice-President with responsibility for informal consultations, said that the informal consultations held on the basis of draft decision E/1990/L.37, which had been introduced at the 30th meeting (para. 4), had led to a consensus on draft decision E/1990/L.48, which he therefore recommended for adoption by the Council.

Draft decision E/1990/L.48 was adopted [decision 1990/263].

41. The PRESIDENT said that, in view of the adoption of draft decision E/1990/L.48, draft decision E/1990/L.37 had been withdrawn by its sponsors.

AGENDA ITEM 4

Permanent sovereignty over national resources in the occupied Palestinian and other Arab territories (*concluded*)**

42. The PRESIDENT said that Jordan, Senegal and the Sudan had joined the sponsors of draft resolution E/1990/L.43/Rev.1, which had been introduced at the 32nd meeting (para. 6).

43. Mr. BRAHIMA (Observer for Morocco), Mrs. SUDHA (Observer for Malaysia) and Mr. AL-KHARASHI (Saudi Arabia) said that they also wished to join the sponsors of the draft resolution.

44. Mr. BURKE (Ireland), speaking in his capacity as Vice-President with responsibility for informal consultations, said that the informal consultations held on the draft resolution had not led to a consensus.

45. The PRESIDENT put draft resolution E/1990/L.43/Rev.1 to the vote.

The draft resolution was adopted by 46 votes to 1 [resolution 1990/53].

46. Mr. DUGAN (United States of America) said that his delegation had voted against the draft resolution, as it had already done in 1989, because the text did not serve any practical purpose. It would have supported the adoption of practical measures that could offer a solution to the situation in the Palestinian and other occupied Arab territories.

47. Ms. CHAALAN (Observer for the Syrian Arab Republic) said that draft resolution E/1990/L.43/Rev.1 had received unanimous support in the Council, except from one delegation which had been hostile to the Palestinian cause for a long time and had systematically supported the daily terrorist attacks by the Israeli occupier against the populations of the occupied Arab territories. Such an attitude was unworthy of a great Power and was a serious violation of human rights.

48. The PRESIDENT said that the Council had completed its consideration of agenda item 4.

AGENDA ITEM 7

Development and international economic co-operation (*continued*)***:

(*h*) Implementation of the Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries (*concluded*)***

49. Mr. BURKE (Ireland), speaking in his capacity as Vice-President with responsibility for informal consultations, said that the informal consultations on draft resolution E/1990/L.35, which had been introduced at the 30th meeting (para. 5), had led to a consensus; he therefore recommended that the Council should adopt that text.

Draft resolution E/1990/L.35 was adopted [resolution 1990/54].

50. The PRESIDENT said that the Council had completed its consideration of agenda item 7 (*h*).

AGENDA ITEM 15

Report of the United Nations High Commissioner for Refugees (*concluded*)

51. Mr. BURKE (Ireland), speaking in his capacity as Vice-President with responsibility for informal consultations, said that the informal consultations on draft resolution E/1990/L.38, which had been introduced at the 33rd meeting (para. 6), had led to a consensus; he therefore recommended that the Council should adopt that text.

Draft resolution E/1990/L.38 was adopted [resolution 1990/55].

52. Mr. PETRONE (Italy), speaking on behalf of the European Community and its member States, said that the Twelve had been able to join the consensus on draft resolution E/1990/L.38 because what was stated in the note verbale of 17 May 1990 addressed to the Secretary-General by the Permanent Representative of the Philippines to the United Nations and referred to in the second preambular paragraph was justified. Nevertheless, the Executive Committee of the Programme of the United Nations High Commissioner for Refugees had to preserve its effectiveness and must therefore be of a reasonable size. The Twelve were therefore opposed to any further enlargement of the composition of the Executive Committee.

** Resumed from the 32nd meeting.

*** Resumed from the 30th meeting.

53. Mrs. de CASTRO-MULLER (Observer for the Philippines), speaking on behalf of the Philippine Government and the sponsors of the draft resolution, thanked the members of the Council and the member States of the Executive Committee of the Programme of the United Nations High Commissioner for Refugees for their support for the draft resolution, which would enable the Philippines, subject to endorsement by the General Assembly, to be elected to membership of the Executive Committee.

54. The PRESIDENT said that the Council had completed its consideration of agenda item 15.

The meeting rose at 11.40 a.m.

35th meeting

Wednesday, 25 July 1990, at 3.20 p.m.

President: Mr. Chinmaya Rajaninath GHAREKHAN (India)

E/1990/SR.35

AGENDA ITEM 16

Elections

International Narcotics Control Board

1. The PRESIDENT said that owing to the resignation of Mr. Nicolai Barkov (Union of Soviet Socialist Republics) and the death of Mr. Paul Reuter (France) the Council was required to fill two interim vacancies on the International Narcotics Control Board. The candidates nominated by Governments to complete the terms of Mr. Barkov and Mr. Reuter, for a term beginning on the date of election and expiring on 1 March 1992, were listed in paragraph 6 of document E/1990/104. The election would be held by secret ballot. He noted that, in accordance with article 9, paragraph 3, of the Single Convention on Narcotic Drugs, 1961, as amended by the 1972 Protocol, the Council was required to give consideration, with due regard to the principle of equitable geographic representation, to the importance of including on the Board, in equitable proportion, persons possessing a knowledge of the drug situation in the producing, manufacturing and consuming countries, and connected with such countries.

At the invitation of the President, Mr. Shinoda (Japan) and Mr. Jomma (Tunisia) acted as tellers.

A vote was taken by secret ballot.

Number of ballot papers:	53
Invalid ballots:	1
Number of valid ballots:	52
Abstentions:	None
Number of members voting:	52
Required majority:	27

Number of votes obtained:

Mr. Queneudec	40
Mr. Bulaev	27
Mr. Nait Abdelaziz	11
Mr. Bayer	5
Mr. Muñoz Sanabria	5
Mr. Huyghe-Braeckmans	4
Mr. Quijano Narezo	4
Mr. Fantohoun Kassegne	2
Mr. Karugaba	2
Mr. Mungole	2
Mr. Cuevas Figueroa	None
Mr. Fortune	None
Ms. Gonzalez Diez	None
Mr. Morales Villatoro	None
Mr. Watty	None
Mr. Wieniawski	None

Mr. Queneudec (France) and Mr. Bulaev (Union of Soviet Socialist Republics), having obtained the required majority, were elected members of the International Narcotics Control Board for a term beginning on the date of election and expiring on 1 March 1992 [decision 1990/283].

ELECTIONS POSTPONED FROM PREVIOUS SESSIONS

2. The PRESIDENT said that in decision 1990/212 the Council had decided to postpone elections for the seats remaining vacant on the Commission on Human Settlements, the Committee on Natural Resources, the Commission on Transnational Corporations and the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (E/1990/92, para. 102). It was now called upon to take action in that connection.

Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting

3. The PRESIDENT said that the Group of Western European and other States had nominated Turkey for the

seat remaining vacant for that group for a three-year term beginning on 1 January 1991.

Turkey was elected a member of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting by acclamation [decision 1990/283].

4. The PRESIDENT said that since the Secretariat had not been notified of any other candidacies he would suggest that elections to fill the remaining vacancies should be postponed to a future session.

It was so decided.

5. The PRESIDENT announced that the Council had thus concluded its consideration of agenda item 16.

The meeting rose at 4.30 p.m.

36th meeting

Thursday, 26 July 1990, at 3.20 p.m.

President: Mr. Chinmaya Rajaninath GHAREKHAN (India)

E/1990/SR.36

Tribute to the memory of Mr. Nasim Ahmad

1. The PRESIDENT paid a tribute to the memory of Mr. Nasim Ahmad, Permanent Representative of Pakistan to the United Nations, and requested the delegation of Pakistan to convey the sincere condolences of the Council to Mr. Ahmad's family.

2. Mr. KHAN (Pakistan) thanked the President and the Council for their tribute, and their condolences, which he would convey to Mr. Ahmad's family.

On the proposal of the President, the members of the Council observed a minute of silence in tribute to the memory of Mr. Nasim Ahmad.

AGENDA ITEM 1

Adoption of the agenda and other organizational matters (*continued*)*

3. The PRESIDENT invited the Council to consider the draft decision entitled "Convening of a resumed second regular session of 1990 of the Economic and Social Council" (E/1990/L.54).

4. Mr. BURKE (Ireland), speaking in his capacity as Vice-President with responsibility for informal consultations, said that as a result of informal consultations a consensus had been reached on the draft decision, which he recommended to the Council for adoption.

5. Mr. STOBY (Secretary of the Council) said that, provided the Council decided to follow its customary procedure and avail itself, for its resumed session, of the services normally reserved for the use of the Second Committee, the draft decision would have no financial implications.

6. The PRESIDENT said that, if there was no objection, he would take it that the Council wished to follow that procedure.

It was so decided.

The draft decision was adopted [decision 1990/262].

7. The PRESIDENT announced that, in the light of the decision just adopted, agenda item 1 would remain open for discussion at the resumed session.

AGENDA ITEM 2

General discussion of international economic and social policy, including regional and sectoral developments (*concluded*)*

8. Mr. BURKE (Ireland), speaking in his capacity as Vice-President with responsibility for informal consultations, said that as a result of informal consultations consensus had been reached on the draft resolution entitled "Trends in the transfer of resources to and from developing countries and their impact on the economic growth and sustained development of those countries" (E/1990/L.52), which he recommended to the Council for adoption.

9. Mr. CANTINI (Italy), speaking on behalf of the European Community and its member States, said that it had been possible for them to associate themselves with the consensus arrived at because the sponsors of the draft resolution had accepted, among others, the amendments which they had proposed. Those amendments were based on the conviction that the issue of the flow of resources had to be considered in all its aspects and take

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* Resumed from the 34th meeting.

fully into account the different currents in which transfers, both to and from developing countries, took place. Otherwise, it was not possible to determine whether a net negative transfer was caused by difficulties of access to financial markets, by high debt service and high interest rates, or by export of capital, or by a combination of those factors. Without a comprehensive examination of all aspects of capital flows, it was not possible to decide on appropriate remedies for specific cases. A negative net transfer of resources was not necessarily a handicap for a developing country, provided it had a continuing capacity to service its loans and credits and had enough hard currency reserves, and, above all, provided it used the inflow of resources for productive investments that generated income. The members of the EEC would examine attentively and constructively the report which the Secretary-General was to submit to the General Assembly at its forthcoming session in accordance with resolution 44/232. They would also look for a proper definition of the issue, bearing in mind the need of developing countries for adequate access to the financial resources needed for sustainable development.

10. Mr. NAVAJAS MOGRO (Observer for Bolivia), speaking on behalf of the Group of 77, said that their main concern was that the negative consequences for development of net transfers of resources should be the main focus of the Secretary-General's report. That continued to be their view although they had, in a spirit of compromise and solidarity, agreed to join the consensus on the draft resolution.

Draft resolution E/1990/L.52 was adopted [resolution 1990/56].

11. The PRESIDENT said that, in view of the adoption of draft resolution E/1990/L.52, draft resolution E/1990/L.39 had been withdrawn by its sponsors.

12. Mr. BURKE (Ireland), speaking in his capacity as Vice-President with responsibility for informal consultations, said that as a result of informal consultations consensus had been reached on the draft decision entitled "Entrepreneurship as a means of attracting non-debt-creating flows of capital" (E/1990/L.55), which he recommended to the Council for adoption.

Draft decision E/1990/L.55 was adopted [decision 1990/265].

13. The PRESIDENT suggested that the Council adopt the following draft decision in connection with documents which the Council had before it under agenda item 2:

> "The Economic and Social Council takes note of the following documents:
>
> "(*a*) *World Economy Survey, 1990* (E/1990/55);
>
> "(*b*) Report of the Committee for Development Planning on its twenty-sixth session (E/1990/27);
>
> "(*c*) Summary of the economic survey of Latin America and the Caribbean, 1989 (E/1990/54);
>
> "(*d*) Summary of the economic and social survey of Asia and the Pacific, 1989 (E/1990/52);
>
> "(*e*) Summary of the survey of economic and social conditions in Africa, 1988-1989 (E/1990/53);
>
> "(*f*) Summary of the economic survey of Europe in 1989-1990 (E/1990/51);
>
> "(*g*) Summary of the survey of economic and social developments in the region of the Economic and Social Commission for Western Asia in 1989 (E/1990/56);
>
> "(*h*) Report of the Secretary-General on proposals to improve the work of the United Nations in the early identification, analysis and forecasting of world economic developments (E/1990/80);
>
> "(*i*) Report of the Secretary-General on the main research findings of the system in major global economic and social trends, policies and emerging issues (E/1990/81);
>
> "(*j*) Report of the Secretary-General on national entrepreneurs in economic development (A/45/292-E/1990/82);
>
> "(*k*) Note by the Secretariat on reports submitted by the specialized agencies in pursuance of paragraph 11 of Council resolution 1989/114 (E/1990/INF/7/Rev.1)."

It was so decided [decision 1990/266].

14. Mr. EL GHAOUTH (Observer for Mauritania) proposed that the statement made by the President at the conclusion of the general discussion under agenda item 2 (25th meeting, paras. 99 ff.) should be annexed to the report of the Council on the second session.

It was so decided.

15. The PRESIDENT announced that the Council had concluded its consideration of agenda item 2.

AGENDA ITEM 7

Development and international economic co-operation (*continued*):**

(*a*) Trade and development (*concluded*)***

REPORT OF THE FIRST (ECONOMIC) COMMITTEE (E/1990/106)

16. The PRESIDENT invited the Council to consider the draft resolution entitled "Trade and development" which the Committee recommended for adoption by the Council in paragraph 10 of its report.

The draft resolution was adopted [resolution 1990/57].

17. Mr. VAN BRAKEL (Canada) explained that his delegation had joined the consensus on the resolution which had just been adopted because it believed that an open and credible multilateral trading system was essential for the promotion of growth and development. An agreement to establish a world trade organization as part of the results of the Uruguay Round of multilateral trade

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** Resumed from the 34th meeting.

*** Resumed from the 27th meeting.

negotiations would express commitment to the new strengthened multilateral trading system, and he hoped that the proposal would be treated as one of major importance in that forum.

(*b*) International development strategy for the fourth United Nations development decade

REPORT OF THE FIRST (ECONOMIC) COMMITTEE (E/1990/107)

18. The PRESIDENT invited the Council to consider the draft decision entitled "Oral report of the Chairman of the *Ad Hoc* Committee of the Whole for the Preparation of the International Development Strategy for the Fourth United Nations Development Decade" which the Committee recommended for adoption by the Council in paragraph 5 of its report. He suggested that the words "on the work of the Committee" should be added at the end of the draft decision, the text of which would then read:

> "The Economic and Social Council takes note of the oral report made before the First (Economic) Committee at its 11th meeting, on 23 July 1990, by the Chairman of the *Ad hoc* Committee of the Whole for the Preparation of the International Development Strategy for the Fourth United Nations Development Decade on the work of the Committee."

The draft decision, as amended, was adopted [decision 1990/267].

(*c*) World Food Council;

(*e*) Development and utilization of new and renewable sources of energy;

(*f*) Development of the energy resources of developing countries

REPORT OF THE FIRST (ECONOMIC) COMMITTEE (E/1990/109)

19. The PRESIDENT invited the Council to consider the draft decision relating to item 7 (*c*) entitled "Report of the World Food Council" which the Committee recommended for adoption by the Council in paragraph 6 of its report.

The draft decision was adopted [decision 1990/268].

20. The PRESIDENT invited the Council to consider the draft decision relating to item 7 (*e*) entitled "Report of the Committee on the Development and Utilization of New and Renewable Sources of Energy" which the Committee recommended for adoption by the Council in paragraph 11 of its report.

The draft decision was adopted [decision 1990/269].

21. The PRESIDENT invited the Council to consider the draft decision relating to item 7 (*f*) entitled "Report of the Secretary-General on energy exploration and development trends in developing countries" which the Committee recommended for adoption by the Council in paragraph 16 of its report.

The draft decision was adopted [decision 1990/270].

22. The PRESIDENT announced that the Council had concluded its consideration of sub-items (*a*), (*b*), (*c*), (*e*) and (*f*) of agenda item 7.

AGENDA ITEM 8

International co-operation in the field of informatics

REPORT OF THE FIRST (ECONOMIC) COMMITTEE (E/1990/110)

23. The PRESIDENT invited the Council to consider the draft resolution which the Committee recommended for adoption by the Council in paragraph 9 of its report.

The draft resolution was adopted [resolution 1990/58].

24. The PRESIDENT announced that the Council had concluded its consideration of agenda item 8.

AGENDA ITEM 12

Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations

REPORT OF THE THIRD (PROGRAMME AND CO-ORDINATION) COMMITTEE (E/1990/113)

25. The PRESIDENT invited the Council to consider draft resolution I entitled "Assistance to the Palestinian People" which was recommended by the Third (Programme and Coordination) Committee to the Council for adoption in paragraph 14 of its report.

26. Replying to an observation by Mr. AHMED (Bahrain) concerning the reference, in paragraph 6 of the report, to the vote on the draft resolution in the Third Committee, he said that footnote 2 to that paragraph appeared to have been omitted from the Arabic version of document E/1990/113. The necessary correction to the Arabic version would be made.

27. Replying to an observation by Mr. MANOOSSI (Islamic Republic of Iran), he said that the record of the meeting would show that, had the delegation of the Islamic Republic of Iran been present during the voting on the draft resolution in the Committee, it would have voted in favour of that text.

28. He said that, as draft resolution I had been adopted in the Third (Programme and Co-ordination) Committee by roll-call vote, he took it that the Council wished also to have a roll-call vote on that text.

The vote on draft resolution I was taken by roll-call.

India, having been drawn by lot by the President, was called upon to vote first.

In favour: Algeria, Bahamas, Bahrain, Brazil, Bulgaria, Burkina Faso, Cameroon, Canada, China, Colombia, Cuba, Czechoslovakia, Ecuador, Finland, France, German Democratic Republic, Germany, Federal Republic of, Ghana, Greece, Guinea, India, Indonesia, Iran, Islamic Republic of, Iraq, Ireland, Italy, Jamaica, Japan, Jordan, Kenya, Lesotho, Liberia, Libyan Arab Jamahiriya, Mexico, Netherlands, New Zealand, Nicaragua, Pakistan, Portugal, Rwanda, Saudi Arabia, Sweden, Thailand, Trinidad and Tobago, Tunisia, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, Venezuela, Yugoslavia, Zaire, Zambia.

Against: United States of America.

Abstaining: None.

Draft resolution I was adopted by 52 votes to 1 [resolution 1990/59].

29. Mr. MARKS (United States of America), speaking in explanation of vote, said that his delegation had voted against draft resolution I because it failed to reflect the situation accurately and contained impractical ideas. The call for assistance "in close co-operation" with the Palestine Liberation Organization was unacceptable to his country, which would prefer the Council to consider practical ways to increase investment, employment, production and income in the occupied territories.

30. The United States supported humanitarian assistance to the Palestinian people and had been the largest single donor to UNRWA. Between 1950 and 1989 it had given almost $1.5 billion and in 1990 it would disburse $57 million to that Agency, whose sole purpose was to provide education, housing, health programmes and other facilities for Palestinian refugees. In addition, the United States had maintained the largest single programme of direct aid to the occupied territories; in 1989 it had made $22 million available to private voluntary organizations for improving health, promoting education and developing infrastructure for the Palestinian population in the West Bank and the Gaza Strip. It had also made available basic food commodities for 96,000 recipients in the territories. Such practical measures warranted due attention.

31. Mr. VAN BRAKEL (Canada) said that, although his delegation had voted in favour of draft resolution I, it reiterated the reservations it had expressed in the Third (Programme and Co-ordination) Committee concerning certain elements of that text.

32. Mr. KOIKE (Japan) said that his delegation had voted in favour of draft resolution I. It was his Government's policy to continue to co-operate in extending economic and social assistance to the Palestinian people in the occupied territories and to go on co-operating, as far as possible, through various assistance programmes of the United Nations and other organizations. It was important that such programmes should be implemented effectively, taking into account the actual situation and needs. In supporting the request made in the resolution to WFP to provide food assistance to the Palestinian people, it hoped that such assistance would be provided in the same manner.

33. Mr. EL GHAOUTH (Observer for Mauritania) said that his delegation, as a sponsor of the text just adopted, thanked the co-sponsors and all who had voted in favour of the text, especially the Canadian delegation which had joined the consensus. It regretted, however, that the delegation of the United States of America, a champion of human rights and democracy, should have chosen to distance itself from a resolution whose purpose was to promote the human rights and dignity of the Palestinian people.

34. The PRESIDENT invited the Council to consider draft resolution II entitled "Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations" which the Third (Programme and Co-ordination) Committee recommended for adoption by the Council in paragraph 14 of its report.

35. Mr. KHAN (Pakistan) said that, had his delegation been present during the vote on draft resolution II in the Third (Programme and Co-ordination) Committee, it would have voted in favour of that text.

36. Mr. HRACHOVINA (Czechoslovakia) said that, for the reasons it had expressed in the Third (Programme and Co-ordination) Committee, his delegation had not joined the sponsors of the draft resolution.

37. The PRESIDENT said that, as draft resolution II had been adopted in the Third (Programme and Co-ordination) Committee by roll-call vote, he took it that the Council wished also to have a roll-call vote on that text.

The vote on draft resolution II was taken by roll-call.

The Bahamas, having been drawn by lot by the President, was called upon to vote first.

In favour: Algeria, Bahamas, Bahrain, Brazil, Bulgaria, Burkina Faso, Cameroon, Canada, China, Colombia, Cuba, Czechoslovakia, Ecuador, Finland, France, German Democratic Republic, Germany, Federal Republic of, Ghana, Greece, Guinea, India, Indonesia, Iran, Islamic Republic of, Iraq, Ireland, Italy, Jamaica, Japan, Jordan, Kenya, Lesotho, Liberia, Libyan Arab Jamahiriya, Mexico, Netherlands, New Zealand, Nicaragua, Pakistan, Portugal, Rwanda, Saudi Arabia, Sweden, Thailand, Trinidad and Tobago, Tunisia, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United States of America, Venezuela, Yugoslavia, Zaire, Zambia.

Against: None.

Abstaining: United Kingdom of Great Britain and Northern Ireland.

Draft resolution II was adopted by 52 votes to none, with one abstention [resolution 1990/60].

38. Mr. MARKS (United States of America), speaking in explanation of vote, said that his delegation had voted in favour of draft resolution II, but it had noted that the sixth and seventh preambular paragraphs, and operative paragraphs 12 and 13, included references to South Africa and to *apartheid* corresponding to those in the Declaration on *Apartheid* and its Destructive Consequences in Southern Africa. The draft resolution failed to refer to the positive developments that had taken place in South Africa in recent months. His delegation regretted that no mention was made of the release of Nelson Mandela, the lifting of the state of emergency and the South African Government's willingness to negotiate with its anti-*apartheid* opponents—positive developments noted by the Secretary-General in his report on the Declaration. It was unhelpful, at the current critical juncture, to quote selectively and to disregard those portions of the Declaration that encouraged the parties to negotiate a solution to the crisis that confronted South Africa. A more constructive approach would have better served the draft resolution's purpose of helping to bring about a democratic, non-racial society in South Africa.

39. Mr. CHABALA (Zambia) said that his delegation and other sponsors of draft resolution II expressed their sincere gratitude to all who had supported it; they were particularly grateful to the 12 delegations which, for the first time, had supported such a text. But the primary goal of consensus adoption had been frustrated by the action of one delegation, for reasons incomprehensible to many delegations and anachronistic to some.

40. The delegation of the United Kingdom was urged to support the Declaration on the Granting of Independence to Colonial Countries and Peoples, albeit 30 years after its historic adoption, during which time many States had become independent and the United Nations had achieved remarkable progress towards its goal of universality. The United Kingdom was also urged to adhere to the objectives of the Declaration on *Apartheid* and its Destructive Consequences in Southern Africa.

41. Although it had been impossible to achieve a consensus which would have befitted the thirtieth anniversary of the Declaration on the Granting of Independence to Colonial Countries and Peoples, helped to focus on the problems of the remaining trust and non-self-governing territories and reaffirmed the objectives of the Declaration on *Apartheid*, the overwhelming support for the resolution clearly reflected the Council's common desire to ensure that the objectives of both Declarations were implemented by the specialized agencies and international institutions associated with the United Nations.

42. Although certain recent positive developments in South Africa were welcome, the persistence of many long-standing conditions remained an obstacle to constructive negotiation. There could be no relaxation until the South African authorities had taken further steps such as the unconditional release of the remaining political prisoners, the cessation of political trials, the ending of the state of emergency in Natal Province, the removal of all troops from townships, and the repeal of the Internal Security Act and other repressive legislation. In the meantime, the international community should continue to exert pressure by means of existing measures, including the Declaration on *Apartheid*, until it became truly possible to establish a non-racial democratic State in South Africa.

43. Mr. HARRISON (United Kingdom) said that, in view of the statement just made by the representative of Zambia, he wished to remind the Council that his delegation had explained clearly in the Third (Programme and Co-ordination) Committee why it was unable to join in the consensus on draft resolution II. On 14 December 1960, the United Kingdom had abstained in the vote on General Assembly resolution 1514 (XV), which contained the Declaration on the Granting of Independence to Colonial Countries and Peoples, and it would have been inconsistent for it to have supported the resolution which the Council had just adopted.

44. The PRESIDENT announced that the Council had concluded its consideration of agenda item 12.

AGENDA ITEM 13

Disaster reduction and relief:

(*a*) International strategy for the fight against locust and grasshopper infestation, particularly in Africa;

(*b*) Disaster relief co-ordination

REPORT OF THE THIRD (PROGRAMME AND CO-ORDINATION) COMMITTEE (E/1990/111)

45. The PRESIDENT invited the Council to consider the four draft resolutions which the Committee recommended to the Council for adoption in paragraph 22 of its report.

Draft resolution I: Fight against the screw worm infestation

Draft resolution I was adopted [resolution 1990/61].

Draft resolution II: International strategy for the fight against locust and grasshopper infestation, particularly in Africa

Draft resolution II was adopted [resolution 1990/62].

Draft resolution III: Assistance in cases of natural disasters and other disaster situations: Office of the United Nations Disaster Relief Co-ordinator

46. Mr. FONDI (Italy) said that, in the French version of draft resolution III, the word "étroite" should be inserted before the word "association" in paragraph 4 to bring it into line with the English text.

47. Mr. MACEDO (Mexico) and Mr. ALMABROUK (Libyan Arab Jamahiriya) said that a similar amendment should be made to the Arabic and Spanish texts.

It was so decided.

Draft resolution III was adopted [resolution 1990/63].

Draft resolution IV: Special disaster relief assistance to the Islamic Republic of Iran

Draft resolution IV was adopted [resolution 1990/64].

48. The PRESIDENT announced that the Council had concluded its consideration of agenda item 13.

AGENDA ITEM 14

Special economic and humanitarian assistance:

(*a*) Special programmes of economic assistance;

(*b*) Humanitarian assistance

REPORT OF THE THIRD (PROGRAMME AND CO-ORDINATION) COMMITTEE (E/1990/112)

49. The PRESIDENT invited the Council to consider the three draft resolutions and the draft decision which the Third (Programme and Co-ordination) Committee recommended to the Council for adoption in paragraphs 19 and 20 of its report.

Draft resolution I: Assistance to the Republic of Yemen

50. The PRESIDENT said that operative paragraph 3 of draft resolution I failed to reflect the modifications agreed upon during informal consultations in the Third Committee and should therefore be corrected to read "*Also requests* the Secretary-General to submit to the General Assembly at its forty-fifth session his report on the implementation of Assembly resolution 44/179 of 19 December 1989".

Draft resolution I, thus corrected, was adopted [resolution 1990/65].

51. Mr. MOKBIL (Observer for Yemen) said that he wished to thank the sponsors of draft resolution I and all the members of the Council for having taken account of the difficulties of the Republic of Yemen, a least developed country which was making tremendous efforts to rebuild its infrastructure.

Draft resolution II: Assistance for the reconstruction and development of Lebanon

Draft resolution II was adopted [resolution 1990/66].

52. Mr. NAZH (Observer for Lebanon) said his delegation wished to express its sincere appreciation to the sponsors of draft resolution II, particularly to the French delegation which had introduced it, and to all the members of the Council for their support.

Draft resolution III: Operation Lifeline Sudan

Draft resolution III was adopted [resolution 1990/67].

53. Mr. EL ALIM AHMED (Observer for Sudan) expressed his delegation's gratitude to the sponsors of draft resolution III and to the delegations which had worked to ensure its adoption by consensus. He further expressed appreciation to all who had participated in Operation Lifeline Sudan.

Draft decision: Damage caused by torrential rain and flooding in Democratic Yemen and Djibouti

The draft decision was adopted [decision 1990/271].

54. The PRESIDENT announced that the Council had concluded its consideration of agenda item 14.

AGENDA ITEM 1

Adoption of the agenda and other organizational matters (*continued*)

CAPITAL PUNISHMENT (*concluded*)****

55. Mr. KUDRIAVTSEV (Union of Soviet Socialist Republics), speaking on behalf of his own delegation and the delegation of the Ukrainian Soviet Socialist Republic, said that he wished to make a statement in accordance with instructions received from Moscow and Kiev.

56. In keeping with the principle of harmonization of the legislative practice of States and the policy of the Soviet Union and the Ukrainian SSR with respect to the death penalty, which had been explained in the General Assembly, the delegations of those countries requested that they should be recorded in the documents of the current session as having voted in favour of draft resolution E/1990/L.46/Rev.1, adopted at the 34th meeting (para. 28) as resolution 1990/51.

57. The two delegations concerned wished to emphasize that they supported the efforts of States and international organizations to abolish the death penalty, which was permissible only in exceptional circumstances, taking account of the legislation of States and the need to combat growing crime. That position was in keeping with the decisions adopted by States parties to the Conference on Security and Co-operation in Europe at its recent session in Copenhagen.

58. Mr. NADIF (Jordan) said that his delegation had not participated in the vote on draft resolution E/1990/L.46/Rev.1, as that text contained provisions that were in conflict with Islamic law.

The meeting rose at 4.50 p.m.

**** Resumed from the 34th meeting.

37th meeting

Friday, 27 July 1990, at 10.30 a.m.

President: Mr. Chinmaya Rajaninath GHAREKHAN (India)

E/1990/SR.37

AGENDA ITEM 7

Development and international economic co-operation (*concluded*):

(*d*) Transnational corporations;

(*g*) International co-operation in tax matters

REPORT OF THE FIRST (ECONOMIC) COMMITTEE (E/1990/108)

1. The PRESIDENT invited the Council to consider draft resolutions I and II and draft decisions I, II and III recommended to it for adoption by the Committee in paragraphs 16 and 17 of its report, as well as the draft decision entitled "Report of the Secretary-General on the work of the *Ad Hoc* Group of Experts on International Co-operation in Tax Matters" in paragraph 22 of the report.

Draft resolution I: Activities of transnational corporations in South Africa

2. The PRESIDENT recalled that draft resolution I had been adopted by the First (Economic) Committee following a roll-call vote of 29 votes to 12, with 1 abstention.

3. Mr. NADIF (Jordan) said that, if his delegation had been present during the voting in the First (Economic) Committee, it would have voted in favour of the draft resolution.

4. The PRESIDENT said that he believed that the Council wished to take a roll-call vote on draft resolution I, as the First (Economic) Committee had done.

A vote was taken by roll-call on draft resolution I.

Sweden, having been drawn by lot by the President, was called upon to vote first.

In favour: Algeria, Bahamas, Bahrain, Brazil, Burkina Faso, China, Colombia, Cuba, Ecuador, Ghana, Guinea, India, Indonesia, Iran, Islamic Republic of, Iraq, Jamaica, Jordan, Kenya, Lesotho, Liberia, Libyan Arab Jamahiriya, Mexico, Nicaragua, Pakistan, Rwanda, Saudi Arabia, Thailand, Trinidad and Tobago, Tunisia, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, Venezuela, Yugoslavia, Zambia.

Against: Canada, Finland, France, Germany, Federal Republic of, Greece, Ireland, Italy, Japan, Netherlands, New Zealand, Portugal, Sweden, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining: Bulgaria, Czechoslovakia.

Draft resolution I was adopted by 34 votes to 14, with 2 abstentions [resolution 1990/70].

5. Mr. KOIKE (Japan), speaking in explanation of vote, said that he wished to reiterate his Government's firm and unequivocal opposition to *apartheid*. His delegation had none the less been obliged to vote against draft resolution I since it objected in principle to the practice of naming specific countries in United Nations resolutions.

6. Mr. VAN BRAKEL (Canada) regretted that the substance and tone of draft resolution I had obliged his delegation to vote against it. The text had clearly been drafted without adequate consultation or regard for the current trend in South Africa towards the non-racial democracy for which the people of South Africa and the international community had struggled so long.

7. Notwithstanding its genuine concern at the decisions of certain countries with regard to sanctions against South Africa, Canada continued strongly to oppose the practice of naming States in United Nations resolutions.

8. His delegation also regretted the unsatisfactory treatment of transnational corporations and financial institutions in the resolution. His country's support for sanctions against South Africa was well known, as was its positive contribution to employment standards, which were being adhered to by the few remaining Canadian companies with affiliates in South Africa. However, it had always rejected the implication in the resolution that all transnational corporations and their international activities were intrinsically evil and that any economic or other interaction with South Africa implied "collaboration" with the Government of that country. Moreover, it rejected the intemperate language used with reference to the renegotiation of South Africa's debt by international financial institutions. Canada, which had consistently called for renegotiation on the toughest possible terms in order to keep up the pressure on South Africa, considered that that tactic had been shown to have paid off: the country had not received any new loans from those institutions, a situation which had contributed to its financial difficulties and to positive political developments.

9. His delegation regretted that no serious attempts had been made to arrive at a consensus resolution. In other

United Nations bodies, considerable progress had been made with regard to resolutions dealing with South Africa, particularly at the sixteenth special session of the General Assembly, on *apartheid* and its destructive consequences, and in the Commission on Human Rights. Where efforts had been made to reflect the current situation and to seek common approaches to promoting the process of change and negotiation, results had been achieved and had had the effect of increasing pressure on the South African Government and enhancing the credibility and effectiveness of United Nations action. The opportunity to do likewise in the Council had been missed.

10. Mr. SCIALOJA (Italy), speaking on behalf of the European Community and its member States, said that the Twelve had been obliged to vote against draft resolution I, since in it the Council's condemnation referred to certain countries specifically by name, and that was contrary to United Nations practice. The Twelve also considered that the resolution did not take account of the significant changes which had taken place in South Africa in recent months, although they recognized that there was still a great deal to be done before *apartheid* was eliminated totally.

11. Mr. FYFE (New Zealand) said that his delegation had been obliged to cast a negative vote on draft resolution I, because it focused on the policies of countries which were specifically named in a manner that did not, in his delegation's view, assist the struggle against *apartheid*. His country particularly regretted that it had been unable to support the resolution in that it contained many elements with which New Zealand was able to agree.

12. Mrs. TIKANVAARA (Finland), speaking on behalf of the two Nordic countries which were members of the Council, namely Sweden and Finland, said that those countries condemned *apartheid* as a political and economic system and were implementing United Nations recommendations through economic sanctions, including a ban on investments and related activities in South Africa and, until recently, in Namibia. For several years, they had supported the traditional draft resolution submitted under that agenda item. However, draft resolution I submitted at the current session contained several new elements, including the specific naming and public condemnation of certain countries, so that the two Nordic delegations had been obliged, with regret, to vote against the text.

13. Mr. GROZDANOV (Bulgaria) said that his country's position with regard to the policies and practice of *apartheid* was well known. Bulgaria had always strongly condemned that phenomenon as a challenge to the conscience of mankind and had consistently supported the resolutions concerning the activities of transnational corporations in South Africa. However, his delegation had decided to abstain in the voting on draft resolution I because it could not agree that individual countries should be named and condemned in a United Nations resolution.

14. Mr. ZUPANJEVAC (Yugoslavia) said that his delegation had voted in favour of draft resolution I, since it supported its main objective, which was to put an end to the inhuman system of *apartheid*. While a number of positive changes had taken place in South Africa and represented steps in the right direction, the odious *apartheid* régime had not yet been eliminated.

15. However, his country keenly regretted the fact that some States were specifically named and condemned. At a time when confrontations and conflict were giving way to co-operation, dialogue and the search for common goals, it would have preferred that such a practice did not again form part of the work of the United Nations.

16. Mr. PAGAC (Czechoslovakia) recalled that, at the sixteenth session of the Commission on Transnational Corporations, as on many other occasions, his country had stressed the necessity of the total abolition of *apartheid* and the intensification of the international community's efforts to that end. However, his delegation thought it neither useful nor necessary to point to particular Governments. It had therefore abstained in the vote.

17. Mr. CHABALA (Zambia) welcomed the adoption by the Council of draft resolution I, which, in his view, gave fresh impetus to the efforts currently being made to reach a negotiated political settlement in that country.

18. His delegation considered that the alleged practice of naming and condemning certain countries was justified in some cases. In the present case, the two Governments referred to in the resolution had, in his opinion, acted in a manner at variance with the political consensus expressed in the Declaration on *Apartheid* and its Destructive Consequences in Southern Africa, according to which the measures already taken to encourage the South African régime to eradicate *apartheid* should not be relaxed until there was clear evidence of profound and irreversible changes. Accordingly, his delegation hoped that the two Governments in question would reconsider and defer their decisions and that they would apply the agreed rules. As far as the United Nations and the Council were concerned, it was their duty to make strenuous efforts to ensure the implementation of that Declaration.

19. Certain positive changes had indeed occurred in South Africa and they were taken into account in paragraph 2 of the resolution. However, it should be recalled that the initiatives taken so far by the South African régime by no means corresponded to the measures indicated in the Declaration, which would henceforth constitute a blueprint for a negotiated political settlement, for consolidating progress achieved and for assessing compliance or non-compliance with commitments.

20. Mr. MARKS (United States of America) said that the main reasons why certain delegations had declined to approve draft resolution I under consideration had already been outlined by earlier speakers. He added that, first, the procedure of designating countries by name was contrary to United Nations practice and, secondly, the draft resolution did not take account of the need for a

consensus on a question of such great importance for the international community. A number of delegations which had voted against the draft resolution, including his own, had actively participated in the process currently under way. His country considered that the United Nations had the responsibility and obligation to draw up texts which promoted and facilitated the desired political processes. The draft resolution just adopted, however, seemed in no way to serve its declared objectives.

21. Mr. HARRISON (United Kingdom), referring to the comment by the Zambian delegation on respect for the agreed rules, noted that the interpretation of the "offside" rule was often a difficult issue to resolve. On the other hand, the overwhelming condemnation of the practice of designating countries by name did not lend itself to any confusion.

Draft resolution II: Activities of the United Nations Centre on Transnational Corporations

22. The PRESIDENT noted that the First (Economic) Committee had had before it a statement of the programme budget implications of draft resolution II (E/1990/26/Add.1) submitted by the Secretary-General in accordance with rule 31 of the rules of procedure of the Council.

23. Mr. DE LUIGI (Italy), speaking on behalf of the European Community and its member States, stressed the importance the Twelve attached to the transfer of ecologically sound technology, a topic which would play a major part in the preparatory activities for the United Nations Conference on Environment and Development to be held in 1992. The question fell within the competence of several United Nations organizations, such as UNEP and UNCTAD. The United Nations Centre on Transnational Corporations could play an important role in that regard. The Twelve considered in that connection that the request to allocate resources to the Centre for that purpose could have been preceded by the submission to the Council of an outline indicating the distribution of the tasks envisaged for the various United Nations organizations in preparing for the Conference in 1992. In their view, such an outline should be drawn up for the forty-fifth session of the General Assembly, with the co-operation of the Secretary-General of the Conference and in collaboration with the Executive Director of the United Nations Centre on Transnational Corporations and the heads of the other secretariats concerned. The member States of the European Community emphasized the need to ensure effective co-ordination and implementation of all the preparatory activities. They also took the view that the financial implications arising from the resolution under consideration could be revised by the Fifth Committee of the General Assembly.

Draft resolution II was adopted [resolution 1990/71].

Draft decision I: Provisional agenda and documentation for the seventeenth session of the Commission on Transnational Corporations

Draft decision I was adopted [decision 1990/273].

Draft decision II: Report of the Commission on Transnational Corporations on its reconvened special session on the status of negotiations on the code of conduct on transnational corporations

Draft decision II was adopted [decision 1990/274].

Draft decision III: Report of the Commission on Transnational Corporations on its sixteenth session

Draft decision III was adopted [decision 1990/275].

Draft decision entitled "Report of the Secretary-General on the work of the Ad Hoc *Group of Experts on International Co-operation in Tax Matters*

The draft decision was adopted [decision 1990/276].

AGENDA ITEM 6

Regional co-operation

REPORT OF THE FIRST (ECONOMIC) COMMITTEE
(E/1990/114)

24. The PRESIDENT invited the Council to consider the six draft resolutions and four draft decisions which the First (Economic) Committee recommended to the Council for adoption in paragraphs 30 and 31 of its report.

Draft resolution I: Future of the African Institute for Economic Development and Planning

25. The PRESIDENT noted that the First Committee had had before it a statement of the programme budget implications of draft resolution I submitted by the Secretary-General in accordance with rule 31 of the rules of procedure of the Council (see E/1990/84/Add.2).

Draft resolution I was adopted [resolution 1990/72].

Draft resolution II: Improving the technical facilities of the Economic Commission for Africa

Draft resolution II was adopted [resolution 1990/73].

Draft resolution III: Proposal for interregional co-operation in the area of trade facilitation, and in particular the phased application of the Rules for Electronic Data Interchange for Administration, Commerce and Transport (EDIFACT), whenever appropriate

Draft resolution III was adopted [resolution 1990/74].

Draft resolution IV: Final review and appraisal of the United Nations Programme of Action for African Economic Recovery and Development, 1986-1990

26. The PRESIDENT pointed out that the First Committee had had before it a statement of the programme budget implications of draft resolution IV submitted by the Secretary-General in accordance with article 31 of the rules of procedure of the Council (see E/1990/84/Add.4).

Draft resolution IV was adopted [resolution 1990/75].

Draft resolution V: Transforming and strengthening the Multinational Programming and Operational Centres of the Economic Commission for Africa

Draft resolution V was adopted [resolution 1990/76].

27. Mr. SCIALOJA (Italy), speaking on behalf of the European Community and its member States, said that, in a spirit of co-operation, they had agreed to join the consensus on draft resolutions I, IV and V.

28. As far as the programme budget implications of those resolutions were concerned, however, the European Community and its member States considered that the Council had not been and could not be in a position to assess them, as financial implications should be considered in depth by the Fifth Committee of the General Assembly. With regard, in particular, to the financial and human resources requested in operative paragraph 5 of draft resolution V, the European Community and its member States understood that they should be drawn from a redeployment of existing resources or from resources available for UNDP programmes in Africa. Consequently, they in no way felt committed to the additional financial expenditures provided for in the three resolutions under consideration, at least not until the General Assembly had been able to review the matter and to take a decision on it.

29. Mr. KHALIKOV (Union of Soviet Socialist Republics) said that his delegation had joined in the consensus that had emerged on draft resolutions I, IV and V because it was aware of their importance for the African countries. However, as many provisions of those resolutions had programme budget implications, his delegation recalled that, in its view, additional expenditure should not be financed from the regular budget of the United Nations. Consequently, it made no commitment with regard to the financial implications of those resolutions, which the Fifth Committee of the General Assembly should consider very carefully.

30. Mr. MARKS (United States of America) said that his delegation had joined in the consensus during the adoption of draft resolutions I, IV and V because it fully supported the United Nations Programme of Action for African Economic Recovery and Development, as well as the activities of the African Institute for Economic Development and Planning and the Multinational Programming and Operational Centres of the Economic Commission for Africa. It nevertheless considered that, in view of the budgetary constraints affecting the entire United Nations system and the efforts to practice zero-base budgeting, requests for additional resources should be met out of extra-bugetary resources or by a reallocation of existing resources and not by including additional credit lines in the regular budget of the United Nations. In any event, the Fifth Committee of the General Assembly was responsible for settling the question of financial implications.

Draft resolution VI: Co-operation in fisheries in Africa

Draft resolution VI was adopted [resolution 1990/77].

31. Mr. ABBA (Algeria) said that his delegation had joined in the consensus on draft resolution VI, first of all because it concerned co-operation among African countries, to which Algeria was deeply attached, and, secondly, because it was designed to encourage the international community's support for the efforts being made by the African continent to develop its fisheries resources, an essential and key area for such co-operation. His delegation nevertheless wished to stress that its interpretation of the resolution remained true to the spirit and letter in which it had been adopted by the sixteenth meeting of the Conference of African Ministers responsible for Economic Development Planning, held in Tripoli from 15 to 19 May 1990. Consequently, it would have liked the Council to follow its usual practice, which was simply to take note of the decisions adopted by the African Ministers.

32. Mr. KHALIKOV (Union of Soviet Socialist Republics), referring to operative paragraph 3 of draft resolution VI, said that, in his delegation's view, any decision in respect of the illegal fisheries operations and the exclusion of fishing vessels should be taken on the basis of the relevant provisions of international law and, in particular, the United Nations Convention on the Law of the Sea of 10 December 1982.

33. Mr. KOUBAA (Tunisia) said that his delegation repeated the reservations it had expressed in the First Committee with regard to paragraph 3 of draft resolution VI. It also invited the secretariat to reconsider paragraph 26 of the report of the First (Economic) Committee in order to complete it and to reflect in it the various proposals that had been made and their origin.

Draft decision I: Admission of Italy as a member of the Economic Commission for Latin America and the Caribbean and amendment of the terms of reference of the Commission

Draft decision I was adopted [decision 1990/277].

Draft decision II: Venue of the twenty-fourth session of the Economic Commission for Latin America and the Caribbean

Draft decision II was adopted [decision 1990/278].

Draft decision III: Venue of the forty-seventh session of the Economic and Social Commission for Asia and the Pacific

Draft decision III was adopted [decision 1990/279].

Draft decision IV: Documentation considered by the Economic and Social Council in connection with the question of regional co-operation

Draft decision IV was adopted [decision 1990/280].

34. The PRESIDENT said that the Council had completed its consideration of agenda item 6.

AGENDA ITEM 9

Operational activities for development

REPORT OF THE THIRD (PROGRAMME AND CO-ORDINATION) COMMITTEE (E/1990/115)

35. The PRESIDENT invited the Council to take a decision on the five draft resolutions which the Third (Programme and Co-ordination) Committee recommended to the Council for adoption in paragraph 28 of its report.

Draft resolution I: Refugees, displaced persons and returnees

Draft resolution I was adopted [resolution 1990/78].

Draft resolution II: Governance of the World Food Programme

Draft resolution II was adopted [resolution 1990/79].

Draft resolution III: Future administrative arrangements for the United Nations pledging conference for development activities

Draft resolution III was adopted [resolution 1990/80].

Draft resolution IV: Agency support costs

36. The PRESIDENT said that the Third Committee had had before it a statement on the programme budget implications of the draft resolution (see E/1990/L.30) submitted by the Secretary-General in accordance with rule 31 of the rules of procedure of the Council.

Draft resolution IV was adopted [resolution 1990/81].

Draft resolution V: Operational activities for development

Draft resolution V was adopted [resolution 1990/82].

37. The PRESIDENT said that the Council had completed its consideration of agenda item 9.

AGENDA ITEM 11

Programme questions

REPORT OF THE THIRD (PROGRAMME AND CO-ORDINATION) COMMITTEE (E/1990/117)

38. The PRESIDENT invited the Council to take a decision on the two draft resolutions which the Third (Programme and Co-ordination) Committee recommended to the Council for adoption in paragraph 14 of its report.

Draft resolution I: Programme questions

Draft resolution I was adopted [resolution 1990/83].

39. Mr. de BRITO CRUZ (Brazil) said that, during the informal consultations on draft resolution I, his delegation had indicated that some programmes included in the medium-term plan for the period 1992-1997 posed serious problems for it. It had nevertheless been able to join in the consensus on the text of the draft resolution in so far as the fourth preambular paragraph recognized the importance of further consideration of the medium-term plan by the General Assembly at its forty-fifth session.

Draft resolution II: Implementation of the Global Programme of Action adopted by the General Assembly at its special session devoted to the question of international co-operation against illicit production, supply, demand, trafficking and distribution of narcotic drugs

Draft resolution II was adopted [resolution 1990/84].

40. The PRESIDENT said that the Council had completed its consideration of agenda item 11. However, since the Council had decided to resume its second regular session of 1990 in order to consider, *inter alia*, the relevant sections of the report of CPC on its resumed thirtieth session, the item would be kept open.

AGENDA ITEM 10

Co-ordination questions

REPORT OF THE THIRD (PROGRAMME AND CO-ORDINATION) COMMITTEE (E/1990/116)

41. The PRESIDENT invited the Council to take a decision on the four draft resolutions and two draft decisions which the Third (Programme and Co-ordination) Committee recommended to the Council for adoption in paragraphs 27 and 28 of its report.

Draft resolution I: Consumer protection

Draft resolution I was adopted [resolution 1990/85].

Draft resolution II: Prevention and control of acquired immunodeficiency syndrome (AIDS)

Draft resolution II was adopted [resolution 1990/86].

Draft resolution III: United Nations System-wide Action Plan on Drug Abuse Control

42. Mr. EL GHAOUTH (Observer for Mauritania) stressed the importance his delegation attached to the control and elimination of drug abuse, which was a serious problem in many societies. However, his delegation's support for the consensus on draft resolution III would in no way affect the position it would adopt at the General Assembly and in the Fifth Committee. His delegation considered that drug abuse control activities should be financed from extra-budgetary resources rather than by appropriations from the regular budget of the United Nations.

Draft resolution III was adopted [resolution 1990/87].

Draft resolution IV: World Decade for Cultural Development

Draft resolution IV was adopted [resolution 1990/88].

Draft decision I: Co-ordination questions

Draft decision I was adopted [decision 1990/281].

Draft decision II: Report of the Committee for Programme and Co-ordination

Draft decision II was adopted [decision 1990/282].

43. The PRESIDENT said that the Council had completed its consideration of agenda item 10. However, as the Council had decided to resume its second regular session of 1990 in order to consider, *inter alia*, the report of the joint meetings of CPC and ACC, the item would be kept open.

AGENDA ITEM 3

Revitalization of the Economic and Social Council (*concluded*)*

44. Mr. BURKE (Ireland), speaking in his capacity as Vice-President of the Council with responsibility for informal consultations, said that the informal consultations on draft resolution E/1990/L.32, which was introduced at the 33rd meeting (para. 4), had made it possible to reach a consensus on draft resolution E/1990/L.50. In order precisely to reflect that consensus, the word "immediately" should, however, be deleted in operative paragraph 3 of the latter draft resolution, which he recommended that the Council should adopt with that amendment.

Draft resolution E/1990/L.50, as orally amended, was adopted [resolution 1990/68].

45. Mr. BURKE (Ireland), speaking in his capacity as Vice-President of the Council with responsibility for informal consultations, said that the informal consultations on draft resolution E/1990/L.41, which was introduced at the 33rd meeting (para. 5), had made it possible to reach a consensus that was reflected in draft resolution E/1990/L.53, which he therefore recommended to the Council for adoption.

Draft resolution E/1990/L.53 was adopted [resolution 1990/69].

46. Mr. BURKE (Ireland), speaking in his capacity as Vice-President with responsibility for informal consultations, said that the informal consultations held on the draft decision entitled "Report of the task force on documentation" (E/1990/L.51) had made it possible to reach a consensus. He therefore recommended that the Council should adopt the draft decision.

47. Mr. EL GHAOUTH (Observer for Mauritania) said that, although he did not want to reopen the debate on the report of the task force on documentation (E/1990/93), he thought that the Council should perhaps not have endorsed outright the recommendations contained in the report, as it was called upon to do by draft decision E/1990/L.51; it could simply have transmitted those recommendations to the General Assembly. The recommendation did not take sufficient account of the fact that some States were able to be represented in the United Nations only by a small delegation and could therefore not take part in all meetings.

48. Mr. ETUKET (Observer for Uganda) said that he shared the view expressed by the observer for Mauritania, for the same reasons. It was premature at the present stage to adopt the recommendations of the task force on documentation and it would have been enough to transmit its report to the General Assembly.

Draft decision E/1990/L.51 was adopted [decision 1990/272].

49. The PRESIDENT said that, as a result of the adoption of draft resolutions E/1990/L.50 and E/1990/L.53, the original draft resolutions E/1990/L.32 and E/1990/L.41 had been withdrawn by their sponsors. The Council had now completed its consideration of agenda item 3.

Conclusion of work and suspension of the session

50. Mr. MANOOSSI (Islamic Republic of Iran) recalled that, at the beginning of the second regular session of the Council, the Iranian Minister for Foreign Affairs had described the loss of life and material damage caused by the recent dramatic earthquake that had struck the Islamic Republic of Iran. His delegation wished to thank the President and delegations, particularly the representative of Mexico, who had been the Chairman of the Third (Programme and Co-ordination) Committee, for the adoption of resolution 1990/64.

51. The PRESIDENT said that the Council had considered all the items on its agenda and could rightly be satisfied at having completed its work. In particular, it had wisely focused on a small number of key issues, such as the state of the world economy and the issue of resource transfers and financial flows; the implementation of the Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, adopted by the General Assembly in its resolution S-18/3, and work on the international development strategy for the fourth United Nations development decade; the evolution of East-West relations and the implications of events in Eastern Europe and the Soviet Union for the developing countries; the human factor in development and environmental protection, a vital element of sustainable development; and the role of the United Nations system in the 1990s and, in that context, the revitalization of the Council itself.

52. Against that backdrop, the Council had been able to discuss major questions, such as the need to solve the debt problem and reverse the direction of net capital flows from the developing countries and the feasibility of bringing about genuine disarmament and reducing military budgets for the benefit of development, including in the developing countries. It had spent an entire day on a fruitful informal exchange of views on the upheavals in Eastern and Central Europe and had discussed how the countries in question could be smoothly integrated into the world economy and, further, how the potentially negative short-term effects of that integration could be minimized so that it would not be detrimental

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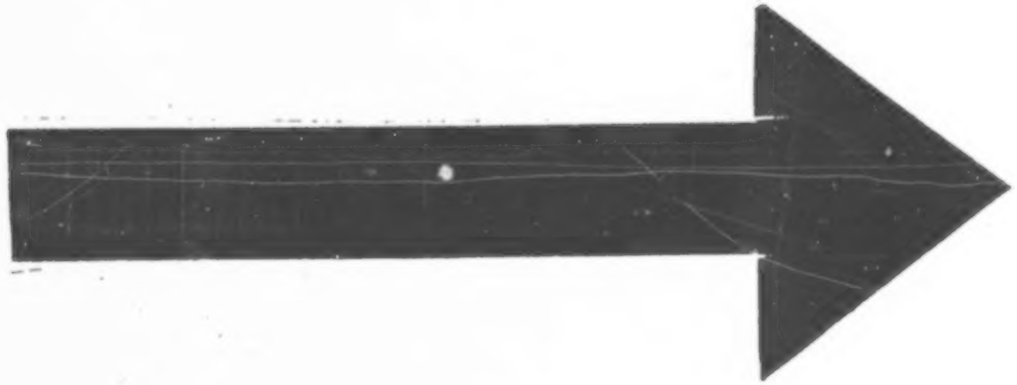
* Resumed from the 33rd meeting.



to the developing countries. The improvement of the human condition, the importance of popular participation in decision-making, pluralism, respect of human rights, the balance between demography, resources and environment and the need to provide the developing countries with access to environmentally sound technologies were other issues calling for agreement and joint action by the Council.

53. The debate had also confirmed that the strengthening of multilateral co-operation and the role of the United Nations was of fundamental importance and that the process of revitalizing the Council had to be pursued with greater imagination and determination. The new approach of systematically addressing major policy issues on the basis of a multi-year work programme should prove fruitful in that regard and attention also had to focus on the full implementation of all aspects of the decisions already adopted by the Council concerning its revitalization. Moreover, the executive heads of the specialized agencies, many of whom had been absent from the current session, should be encouraged to participate personally in the work of the Council. He also hoped that Governments would respond positively to the Secretary-General's proposal that Member States should be represented at the ministerial level in the sessions of the Council. He would like the Council to consider the possibility of entrusting the Third (Programme and Co-ordination) Committee with certain tasks at the first regular session of the year and suggested that it would be useful to review some of the Council's rules of procedure.

54. After an exchange of courtesies, the President declared the second regular session of 1990 of the Economic and Social Council suspended.

The meeting rose at 12.40 p.m.

RESUMED SECOND REGULAR SESSION OF 1990

Summary record of the 38th plenary meeting, held at Headquarters, New York, on 9 November 1990

38th meeting

Friday, 9 November 1990, at 10.30 a.m.

President: Mr. Chinmaya Rajaninath GHAREKHAN (India)

E/1990/SR.38

In the absence of the President, Mr. Guennadi I. Oudovenko (Ukrainian Soviet Socialist Republic), Vice-President, took the Chair.

AGENDA ITEM 1

Adoption of the agenda and other organizational matters (*concluded*)*

REPORT OF THE GOVERNING COUNCIL OF THE UNITED NATIONS ENVIRONMENT PROGRAMME ON ITS SECOND SPECIAL SESSION (A/45/25)

1. Mr. TOLBA (Executive Director, United Nations Environment Programme) said that the large number of participants attending the second special session of the UNEP Governing Council, held from 1 to 3 August 1990, was evidence of the importance the international community attached to serious environmental problems and their impact on development everywhere. While everyone agreed that the best way to protect the environment was through sustainable development, differences emerged as to the specific measures to be taken to achieve that end. Nevertheless, the Governing Council had reached consensus on 12 key decisions. Those decisions fell into three categories: the role of the Preparatory Committee for the United Nations Conference on Environment and Development; strengthening the role of UNEP and its Governing Council; and guidance from the Council on priority environmental issues.

2. With regard to the United Nations Conference on Environment and Development, it was expected that the Conference would chart a new course for integrating economic growth and development and environmental protection. It should identify ways to implement specific costed activities and stimulate reforms in such diverse areas as agriculture, trade, energy and public finance. Current modes of development were responsible for environmental degradation. Although conceptual frameworks for the necessary reforms existed, the task remained a demanding one, since it involved translating talk about sustainable development into focused and effective policies and initiatives.

3. In its decision SS.II/9, the UNEP Governing Council had recommended that the Preparatory Committee should consider various specific issues: efforts to combat land degradation; the need for new and additional resources on concessionary terms with a view to the adoption and implementation of pollution-free technologies; actions to introduce environmental considerations into sectoral policies; and developments relating to agreements for the transfer of technology, taking into account the needs of the developing countries. The Governing Council had also reaffirmed the Programme's commitment to contributing fully to the work of the Preparatory Committee.

4. With regard to strengthening the role of UNEP and its Governing Council, he had been requested to report on the feasibility of: expanding the membership of the Governing Council; establishing an executive committee of the Council; holding joint meetings with the UNDP Governing Council; and giving the Council a role in en-

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* Resumed from the 36th meeting.

vironmental conciliation, conflict resolution and monitoring the implementation of environmental agreements and decisions.

5. The Governing Council had also requested him to report on ways and means to further enhance the visibility of UNEP activities by establishing a United Nations centre for urgent environmental assistance, an early warning system for risks of environmental degradation and a global environmental academy, and by mobilizing an international "green brigade" of volunteers.

6. For the first time, the budget of the Environment Fund had exceeded the $30 to $40 million mark. The Governing Council had decided to set the target for contributions at $100 million, to be reached by 1992. However, that target was already being viewed as too modest in terms of the task at hand. He intended to justify to the Governing Council his proposal to increase the Fund's budget to $250 million by 1995. He would also propose the establishment of several special funds, such as the fund established recently to implement the provisions of the Montreal Protocol on Substances that Deplete the Ozone Layer, adopted on 16 September 1987. Negotiations were also well under way with potential donors for the establishment of a global environmental facility comprising 1 billion SDRs, the operation of which would be co-ordinated by the World Bank, UNEP and UNDP. At its second regular session of 1991, the Economic and Social Council would consider the conclusions reached on that subject by the Governing Council at its sixteenth session.

7. Finally, the Governing Council had provided policy guidance on priority environmental issues. At the Second Meeting of the Parties to the Montreal Protocol, held in London from 27 to 29 June 1990, the international community had demonstrated its sense of collective responsibility for the depletion of the ozone layer; it must now endeavour to solve the greatest threat to humanity: climate change and global warming. In that connection, the Governing Council had adopted a decision which dealt with the Second World Climate Conference, continuation of the work of the Intergovernmental Panel on Climate Change and the launching of negotiations for a framework convention on climate change. The General Assembly would provide guidance on the recommendations formulated at the preparatory meeting for the convention. Finally, the Governing Council had requested him to give high priority to the preparation of an international legal instrument on biological diversity. Other decisions taken by the Governing Council dealt with the management of hazardous wastes, protection of the oceans and coastal areas, desertification and hazardous substances.

8. Negotiations in those areas would not be successful without the active participation of all developing countries, made possible by financial support from the developed countries. Far more resources were needed to tackle environmental problems than anything mobilized to date. The time had come for the international community to make a firm commitment to sustained collective action.

The Council took note of the report of the Governing Council of the United Nations Environment Programme on the work of its second special session [decision 1990/284].

NOTE VERBALE DATED 27 SEPTEMBER 1990 FROM THE PERMANENT REPRESENTATIVE OF ETHIOPIA TO THE UNITED NATIONS ADDRESSED TO THE SECRETARY-GENERAL (E/1990/121)

9. Mr. GOSHU (Observer for Ethiopia) recalled that Ethiopia had a long tradition of hosting refugees regardless of their place of origin or their religion. The flow of refugees had suddenly accelerated in 1983, with more than 800,000 currently in the country. Ethiopia was thus the first country of asylum and ranked fifth world-wide in so far as the number of refugees was concerned. That influx and the need to respond to the resulting humanitarian conditions had placed a considerable burden on Ethiopia's economy, which had already been shaken by drought, famine and internal conflicts. The assistance provided by UNHCR had prevented the situation from becoming a tragedy. Ethiopia therefore followed with keen interest the work of the Executive Committee and had participated in that work for many years as an observer. He hoped that the Council would recommend an enlargement of the membership of the Executive Committee so that Ethiopia might be represented in it and participate fully in efforts to solve the problem of refugees in the Horn of Africa.

10. The PRESIDENT invited the Council to consider the following draft decision:

> "The Economic and Social Council decides to consider the note verbale dated 27 September 1990 from the Permanent Representative of Ethiopia to the United Nations addressed to the Secretary-General at its organizational session for 1991, within the context of the programme of work of the Council for 1991."

The draft decision proposed by the President was adopted [decision 1990/285].

DATES OF THE THIRTY-SECOND SESSION OF THE COMMISSION FOR SOCIAL DEVELOPMENT

11. The PRESIDENT said that, for technical reasons, it had been proposed that the dates of the thirty-second session of the Commission for Social Development, to be held at Vienna, should be changed to 11 to 20 February 1991 instead of 13 to 22 February 1991, as originally scheduled. That change would have no financial implications. If he heard no objection, he would take it that the Council approved the change of dates.

It was so decided [decision 1990/286].

DATES OF THE TENTH MEETING OF EXPERTS ON THE UNITED NATIONS PROGRAMME IN PUBLIC ADMINISTRATION AND FINANCE

12. The PRESIDENT said that, for the reasons set out in the note by the Secretariat, E/1990/L.56, the Secretariat had proposed that the Tenth Meeting of Experts on the United Nations Programme in Public Administration and Finance should be held at Geneva from 18 to 25 September 1981 instead of at Headquarters from 30 January to 8 February 1991. The financial implications of that change were contained in paragraph 3 of the note and thus would not be issued as a separate document. In addition, the phrase "and substantive servicing expenditures of $16,000" should be inserted in paragraph 3 of that document between the figure "$88,900" and the words "and that these".

13. Mr. HARRISON (United Kingdom) said he did not have strong objections to the change of dates, but wondered why it was necessary to change the venue of the Tenth Meeting. That was contrary to the rules governing the holding of meetings, and he wondered why holding the Tenth Meeting at Geneva would facilitate the participation of the specialized agencies. Besides, if all services and facilities at Headquarters were reserved for the General Assembly while that body was in session, the Meeting could take place in early September.

14. Mr. OYUGI (Department of Technical Co-operation for Development) said that the specialized agencies, whose substantive contribution was important, wanted the Tenth Meeting to be held at Geneva so that they could be represented at the appropriate level; in fact, experience showed that it was easier to ensure their full participation if the Meeting was held there. His Department had also been informed that it would be difficult to hold the Meeting in New York. The Department would be able to absorb fully any additional expenditures.

15. The choice of dates had been dictated by a desire to take into account the outcome of three important meetings, dealing with the environment, women's participation in management and the evaluation of the public administration programme for sub-Saharan African countries.

16. Mr. SHAPOVALOV (Union of Soviet Socialist Republics), supporting the views of the representative of the United Kingdom, remarked that it was certainly of interest to have the results of those meetings, but that the Tenth Meeting should be held in New York to avoid additional costs.

17. Mr. DJOGHLAF (Algeria) suggested that, to save time, the Council should decide immediately that the Tenth Meeting would be held in September and should postpone its decision on the exact dates and venue until its organizational session for 1991.

It was so decided [decision 1990/287].

EMERGENCY ASSISTANCE TO SAMOA, AMERICAN SAMOA, NIUE, TOKELAU, TONGA, TUVALU AND WALLIS AND FUTUNA

18. Mr. BEHRSTOCK (Chief of the East Asia and Pacific Division, Regional Bureau for Asia and the Pacific of the United Nations Development Programme), reporting on the implementation of Council resolution 1990/1, used Samoa as an example. Assistance had been provided in four areas: emergency humanitarian aid; long-term aid in reconstruction; assistance to the country for identifying its needs; and mobilization of additional resources.

19. The international community had reacted with speed and generosity. Australia, New Zealand and the United States of America in particular had sent immediate help. Besides bilateral aid, Samoa had received assistance from the United Nations system and various multilateral institutions.

20. So far as long-term aid for reconstruction and rehabilitation of devastated areas was concerned, a round table had been held at Geneva in May 1990 to assess the donors' response to the Council's appeal. The Samoan Government had submitted documentation on its needs, describing four projects, two of which might receive assistance from Japan. For its part, ADB had reallocated one of its agricultural development loans to reconstruction. UNDP had approved an allocation of $300,000 for a water supply project.

21. Pleased with those results, he stressed the usefulness of round tables, which facilitated the identification of needs and co-ordination of donor assistance. Other round tables would be held for Tonga and Tuvalu, which had received an immediate UNDP grant of $35,000.

22. The PRESIDENT invited the Council to consider the following draft decision:

> "The Economic and Social Council takes note of the oral report made by the Chief of the East Asia and Pacific Division, Regional Bureau for Asia and the Pacific of the United Nations Development Programme, on emergency assistance to Samoa, American Samoa, Niue, Tokelau, Tonga, Tuvalu and Wallis and Futuna."

The draft decision as proposed by the President was adopted [decision 1990/288].

AGENDA ITEM 10

Co-ordination questions (*concluded*)

REPORT OF THE COMMITTEE FOR PROGRAMME AND CO-ORDINATION ON THE SECOND PART OF ITS THIRTIETH SESSION (A/45/16 (PART II))

23. Mr. ABRASZENSKI (Chairman, Committee for Programme and Co-ordination), introducing the report of CPC on the second part of its thirtieth session (A/45/16 (Part II)), recalled, to begin with, that the Committee had

acted upon the request of the Council in paragraph 5 of its resolution 1990/83.

24. He recalled that programme 11 of the proposed medium-term plan for the period 1992-1997 had been adopted on the condition that one of its subprogrammes, concerning African economic recovery and development, should become a separate programme. Consequently, the Secretariat had established programme 45, entitled "African economic recovery, development and transformation". CPC had recommended adoption of that programme with some modifications.

25. As for programme 31, "Regional co-operation for development in Asia and the Pacific", CPC had recommended that the General Assembly should give appropriate consideration to the question of priority setting among subprogrammes when it reviewed that programme. The Representative of the Secretary-General had announced recently to the Fifth Committee that he would submit more detailed information and new proposals regarding the medium-term plan for 1992-1997.

26. In conclusion, he noted that for some time CPC had experienced very great difficulty in reviewing all the items on its agenda within the time allotted. He hoped that a practical solution to remedy that situation could be found.

27. The PRESIDENT invited the Council to consider the following draft decision:

> "The Economic and Social Council decides to take note of the report of the Committee for Programme and Co-ordination on the second part of its thirtieth session (A/45/16 (Part II)) and to endorse the conclusions and recommendations contained therein relating to the proposed programme 45 of the medium-term plan for 1992-1997 (African economic recovery, development and transformation) and the proposed programme 31 (Regional co-operation for development in Asia and the Pacific)."

The draft decision as proposed by the President was adopted [decision 1990/289].

REPORT OF THE CHAIRMEN OF THE COMMITTEE FOR PROGRAMME AND CO-ORDINATION AND THE ADMINISTRATIVE COMMITTEE ON CO-ORDINATION ON THE TWENTY-FIFTH SERIES OF JOINT MEETINGS OF THE TWO COMMITTEES (E/1990/123)

28. Mr. KOIKE (Japan) expressed his appreciation for the work of the Joint Meetings and thought that the General Assembly could make use of the conclusions of the report concerning improvement of co-ordination in the United Nations system and prevention of natural disasters. He proposed, therefore, that the Council should not simply adopt the report but rather transmit it to the General Assembly for consideration under the relevant agenda items.

29. Mr. MAJOLI (Italy) was pleased to note that the ideas put forward by his delegation were reflected in paragraph 37 of the report. It was indeed necessary to keep donor countries fully informed of the financial requirements for the International Decade for Natural Disaster Reduction, and contributions to the special Trust Fund for the Decade would depend on progress made in implementation of its activities. Italy had already contributed to the Fund, but hoped to see the results before deciding on any further contribution. Italy considered it appropriate to enhance co-ordination with UNDRO, adding that the Decade's secretariat should be modestly staffed.

30. The PRESIDENT invited the Council to consider the following draft decision:

> "The Economic and Social Council decides to take note of the report of the Chairmen of the Committee for Programme and Co-ordination and the Administrative Committee on Co-ordination on the twenty-fifth series of Joint Meetings of the two Committees, to endorse the conclusions and recommendations contained therein and to transmit the report to the General Assembly at its forty-fifth session for consideration under the appropriate agenda item."

The draft decision as proposed by the President was adopted [decision 1990/290].

31. The PRESIDENT said that the Council had concluded its consideration of agenda item 10.

AGENDA ITEM 16

Elections (*concluded*)**

ELECTIONS CARRIED OVER FROM PREVIOUS SESSIONS

Committee on Natural Resources

32. The PRESIDENT announced that Sweden had informed the Secretariat that it would be a candidate for one of the vacant posts allocated to the Group of Western European and Other States, for a four-year term beginning on 1 January 1991.

There being no other candidatures, Sweden was elected by acclamation [see decision 1990/291].

33. The PRESIDENT announced that, for the other vacancies for which elections had been carried over to later sessions, the Secretariat had not been informed of any candidature by the chairmen of the regional groups or by the OAU secretariat or the Group of African States.

34. In the absence of any candidatures, he suggested that those elections should be carried over to a later session.

It was so decided.

ELECTIONS HELD FOLLOWING THE REUNIFICATION OF THE GERMAN DEMOCRATIC REPUBLIC WITH THE FEDERAL REPUBLIC OF GERMANY

Committee on Human Settlements

35. The PRESIDENT announced that the Chairman of the Group of Eastern European States had informed the

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** Resumed from the 35th meeting.

Secretariat that it supported the candidacy of Poland for the vacancy which had occurred, for the period from the date of election to 31 December 1991.

There being no other candidatures, Poland was elected by acclamation [see decision 1990/291].

Commission on Transnational Corporations

36. The PRESIDENT announced that the Chairman of the Group of Eastern European States had informed the Secretariat that it supported the candidature of Romania for the vacancy which had occurred, for the period from the date of election to 31 December 1992.

There being no other candidatures, Romania was elected by acclamation [see decision 1990/291].

Commission on the Status of Women

37. The PRESIDENT announced that the President of the Group of Eastern European States had informed the Secretariat that it supported the candidature of the Ukrainian Soviet Socialist Republic for the vacancy which had occurred, for the period from the date of election to 31 December 1991.

There being no other candidatures, the Ukrainian Soviet Socialist Republic was elected by acclamation [see decision 1990/291].

Executive Board of the United Nations Children's Fund

38. The PRESIDENT recalled that the Chairman of the Group of Eastern European States had informed the Secretariat that it supported the candidature of Czechoslovakia for the vacancy which had occurred, for the period from the date of election to 31 July 1993.

There being no other candidatures, Czechoslovakia was elected by acclamation [see decision 1990/291].

World Food Council

39. The PRESIDENT recalled that the Council was required to nominate a member for election by the General Assembly, for a term starting on the date of election and expiring on 31 December 1991. The Chairman of the Group of Eastern European States had informed the Secretariat that it supported the candidature of Yugoslavia for that nomination.

There being no other candidatures, Yugoslavia was nominated by acclamation [see decision 1990/291].

Committee on Natural Resources

40. The PRESIDENT announced that the Secretariat had not been informed of any candidatures by the Chairman of the Group of Eastern European States and suggested that the election should be carried over to a later session.

It was so decided [see decision 1990/291].

ELECTION HELD AS A RESULT OF THE WITHDRAWAL OF MEXICO

Committee for Programme and Co-ordination

41. The PRESIDENT announced that the Chairman of the Group of Latin American and Caribbean States had informed the Secretariat that, Mexico having withdrawn, the Group supported the candidature of Brazil for nomination by the Council for election by the General Assembly to CPC for a three-year term beginning on 1 January 1991.

There being no other candidatures, Brazil was nominated by acclamation [see decision 1990/291].

42. The PRESIDENT said that the Council had concluded its consideration of agenda item 16.

Closure of the session

43. The PRESIDENT declared the resumed second regular session of 1990 of the Economic and Social Council closed.

The meeting rose at 12.05 p.m.

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